



European
Commission

Statement of estimates of the European Commission for the financial year 2017

Political presentation

Financial programming 2018-2020

Expenditure - Figures by MFF heading, section and budget line

Changes in budget remarks and staff establishment plans

Revenue - Analysis by title

Statement of estimates of the European Commission for the financial year 2017

(Preparation of the 2017 Draft Budget)

- Political Presentation
- Financial programming 2018-2020
- Expenditure – Figures by MFF heading, section and budget line
- Changes in budget remarks and staff establishment plans
- Revenue – Analysis by title

SEC(2016) 280

JUNE 2016

TABLE OF CONTENTS

POLITICAL PRESENTATION	5
FINANCIAL PROGRAMMING 2018 – 2020	129
EXPENDITURE - FIGURES BY MFF HEADING, SECTION AND BUDGET LINE	203
CHANGES IN BUDGET REMARKS & STAFF ESTABLISHMENT PLANS	333
REVENUE – ANALYSIS BY TITLE	609

POLITICAL PRESENTATION

TABLE OF CONTENTS

1. Priorities for the 2017 draft budget	7
1.1. Introduction	7
1.2. Jobs, growth and investments remain the overarching priority.....	8
1.3. ...together with an effective European response to the migration challenge.....	9
1.4. ... without losing sight of the other priorities	10
2. Ensuring proper implementation of the eu budget	11
2.1. Sufficient payment appropriations	11
2.2. Stronger focus on results	11
2.3. Providing sufficient administrative resources	12
3. The multiannual financial framework and the 2017 draft budget	14
3.1. Ceilings of the multiannual financial framework for the 2017 budget	14
3.2. Overview of the 2017 draft budget.....	15
4. Key aspects of 2017 draft budget by financial framework headings.....	19
4.1. Heading 1a — Competitiveness for growth and jobs.....	19
4.2. Heading 1b — Economic, social and territorial cohesion.....	30
4.3. Heading 2 — Sustainable growth: natural resources	37
4.4. Heading 3 — Security and citizenship	48
4.5. Heading 4 — Global Europe	56
4.6. Heading 5 — Administration	66
4.7. Special instruments.....	73
5. Horizontal issues.....	75
5.1. Overview of the proposed level of payments and evolution of the backlog of outstanding payment claims	76
5.2. Human resources	84
5.3. Commission administrative expenditure outside heading 5	94
5.4. Bodies set up by the European Union and having legal personality	96
5.5. Actions without a specific basic act	103
6. Annex — Detailed figures.....	104
6.1. Annex I — Multiannual financial framework 2014-2020, at current prices.....	104
6.2. Annex II — 2017 draft budget by policy area and financial framework headings	105
6.3. Annex III — Climate tracking and biodiversity	106
6.4. Annex IV — Bodies set up by the European Union and having legal personality	113

1 PRIORITIES FOR THE 2017 DRAFT BUDGET

1.1 Introduction

On 23 June 2016, the British people expressed their wish to leave the European Union. As mentioned by President Juncker in his joint statement with President Schulz, President Tusk and Prime Minister Rutte, EU law continues to apply in full until the United Kingdom is no longer a member. This draft budget has been prepared accordingly.

The EU budget represents around 1 % of EU gross national income (GNI), and just above 2 % of all public spending in the EU. It complements national budgets and the wide set of European-level policy and regulatory instruments, to implement the political priorities and enable Europeans, acting together, to tackle challenges both at European and at international level.

2017 will be the fourth year of the current multiannual financial framework and the third of the mandate of the current Commission. The Commission proposes a draft budget reflecting and supporting the political priorities set by President Jean-Claude Juncker, in particular contributing to the greatest extent possible to jobs, growth and investment, and providing a European response to the challenges of migration management and the fight against terrorism and organised crime. In line with the European Agendas on Security and on Migration, the EU budget will continue to support Member States in properly managing migration flows, protecting EU external borders, and safeguarding the integrity of the Schengen area, while fostering a coordinated and collaborative partnership with neighbouring regions and other third countries to address the root causes of migration.

Besides these two clear priorities, through the EU budget and other instruments, the Commission will continue to progress towards a connected digital single market, a resilient energy union, a deeper and fairer internal market and economic and monetary union, a reasonable and balanced free trade agreement with the U.S. and a stronger EU as a global actor. Underpinning all these are the priorities to ensure an area of justice and fundamental rights and to change the nature of the EU's relationship with the citizen.

The 2017 draft budget aims to achieve the right balance between the implementation of ongoing programmes and addressing newer challenges. It therefore builds on commitments made in previous years, and makes use of the existing room for flexibility to respond to challenges in line with the 2014-2020 multiannual financial framework (MFF).

In line with the annual evolution foreseen in the MFF, appropriations proposed in the draft budget are set at 157,7 billion (1,7 % compared to the 2016 budget) in commitments, and 134,9 billion (-6,2 %) in payments, corresponding to 1,05 % and 0,90 % of EU GNI, respectively. The increase in commitment appropriations is 4,8 % after 'neutralising' the impact of the re-programming of the 2014 annual tranche of the European Agricultural Fund for Rural Development, the Asylum, Migration and Integration Fund, and the Internal Security Fund. The significant reduction of total payments essentially reflects the finalisation of the implementation of programmes from the 2007-2013 MFF and the slow implementation of the new generation of programmes in some policy areas.

In the course of 2016, the Commission will present proposals for the MFF mid-term review/revision, as established in Article 2 of the MFF Regulation¹.

¹ Council Regulation (EU, Euratom), No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

1.2 Jobs, growth and investments remain the overarching priority...

The European economy continues to recover, albeit slowly and subject to real downward risks associated with the world economy and the global financial markets. Growth forecasts are still modest, and are predicated on governments engaging more systematically in the kind of structural reforms and policy measures set out in the country-specific recommendations adopted by the Commission on 18 May 2016. This moderate and fragile growth rate makes it imperative to maintain the rhythm of implementation of the ten political priorities of the European Commission to create the conditions for sustainable and inclusively economic growth.

Moreover, it reinforces the need to ensure that the EU budget contributes as much as possible to stimulate investment and job creation.

The European Fund for Strategic Investments (EFSI), established in 2015 in close partnership with the European Investment Bank, shows that the EU budget can make a difference. The 2017 draft budget proposes to endow the EFSI with the funds needed to mobilise up to EUR 240 billion in investments by the end of 2017 with a view to reaching the target of EUR 315 billion by 2018. More importantly, most of this target amount will come from private sources², providing a real and lasting stimulus to the investment scene in Europe via the leverage of public guarantees provided by the EU budget.

In complementarity to the EFSI, the main EU spending programmes will be used by Member States to boost smart and inclusive growth. These programmes primarily include the European Structural and Investment Funds³ and programmes under the expenditure heading 'Competitiveness for growth and jobs' (heading 1a). The Connecting Europe Facility, the research and innovation programme Horizon 2020, the programme for the Competitiveness of enterprises and SMEs (COSME), to name but three among many, are building networks and know-how across the EU. To ensure that citizens can benefit fully from the opportunities being created, programmes such as Erasmus+ and the European Social Fund promote, among other things, the skills which people need to find jobs.

The 2017 draft budget includes the technical adjustment of the cohesion policy national envelopes for 2017-2020 in line with Article 7 of the MFF Regulation. All Member States' allocations under the 'Investment for growth and jobs' goal of cohesion policy for the years 2017-2020 were reviewed and compared to the actual evolution of GDP. The effect of the adjustment is a EUR 4,6 billion increase (in current prices) in the 2017-2020 ceilings for commitments under 'Economic, social and territorial cohesion' (heading 1b) and concerns Member States particularly affected by the economic slowdown of the past few years⁴. The Commission urges these Member States to use the additional funds for stimulating youth employment in 2017-2020, for the integration of refugees, and for promoting investment in combination with the EFSI.

The draft budget does not include any additional commitment appropriations for the Youth Employment Initiative (YEI) in 2017, as all the YEI appropriations were frontloaded over 2014 and 2015 to ensure that the initiative reached its beneficiaries as quickly as possible. The Commission expects implementation on the ground to accelerate over 2016 and 2017, to reach its target result of 2.3 million participants by 2018. The Commission will reassess the YEI in the context of the mid-term review/revision and the result of the evaluation of the initiative.

² Mobilisation of private capital is a key feature of the EFSI and currently represents about 80 % of the total expected investment value.

³ European Regional Development Fund (ERDF); European Social Fund (ESF); Cohesion Fund (CF); European Agricultural Fund for Rural Development (EAFRD); European Maritime and Fisheries Fund (EMFF).

⁴ COM(2016) 311, 30.6.2016.

1.3 ...together with an effective European response to the migration challenge...

Tackling the refugee crisis and the migration challenge has been at the top of the Commission's agenda in the past two years. Building on the actions already undertaken in 2015 and 2016 which reached a combined total of over EUR 10,5 billion, the 2017 draft budget includes EUR 5.2 billion of specific migration-related expenditure for both internal and external actions.

...both inside the Union...

The amount proposed for 2017 for 'Security and citizenship' (heading 3) is EUR 1,8 billion above the initially programmed amount for the year, and represents a slight increase over the reinforced funding level in the 2016 budget. Given the unprecedented scale of the needs, the Commission proposes to mobilise both the Flexibility Instrument⁵, and the Contingency Margin for commitments⁶ to finance a wide range of actions including emergency assistance, relocation, resettlement, return and integration of refugees and asylum-seekers.

The 2017 draft budget integrates the budgetary implications of: 1) the proposal to review the Dublin common asylum system⁷; 2) the Commission's proposal for a new Entry-Exit System⁸ to strengthen border management; 3) the proposed European Border and Coast Guard⁹; 4) a recast of Eurodac¹⁰ and 4) the proposed EU Agency for Asylum¹¹. It also includes EUR 200 million for the new instrument allowing the provision of emergency humanitarian support within the Union¹² in response to the current influx of refugees and migrants into Europe. This instrument fills a gap by enabling actions to be carried out at European level within the borders of the Union, and it will help alleviate the suffering of refugees, specifically where the impact is on an exceptional scale and causing wide-ranging consequences in one or more Member States.

... and in partnership with our neighbours...

In 2017 the EU budget will continue to fund a variety of actions to address the root causes of migration as well as the challenges to security posed by economic, political and social unrest in the neighbourhood. Besides the implementation of programmes such as the Development Cooperation Instrument and the focus of actions in specific regions via the recently created Trust Fund for Africa, the budget will provide significant assistance to host countries dealing with large migration flows outside the Union. In particular, the draft budget includes EUR 750 million to reach the EUR 1 billion contribution from the EU budget towards the EUR 3 billion agreed for the Facility for Refugees in Turkey in 2016-2017¹³. It also includes the budgetary implications of the pledge for Lebanon and Jordan made at the UN London conference in February 2016¹⁴. To honour all pledges and meet needs, the Commission proposes some reorientation of funds within and between instruments, as well as the full use of the expenditure ceiling of 'Global Europe' (heading 4). As a complement to the appropriations proposed in the draft budget, additional funds will be available through financial contributions from Member States and other donors mobilised through Trust Funds and the Facility for Refugees in Turkey (EUR 2 billion).

⁵ COM(2016) 313, 30.6.2016.

⁶ COM(2016) 314, 30.6.2016.

⁷ COM(2016) 270, 4.5.2016.

⁸ COM(2016) 194, 6.4.2016.

⁹ COM(2015) 671, 15.12.2015.

¹⁰ COM(2016) 272, 4.5.2016.

¹¹ COM(2016) 271, 4.5.2016.

¹² OJ L 70, 16.3.2016, p. 1.

¹³ OJ C 60, 16.2.2016, p. 3.

¹⁴ "Supporting Syria and the Region" conference 2016, London.

1.4 ... without losing sight of the other priorities

Even though the ten priorities set by President Juncker will be mainly driven by legislation and other policy actions, they are underpinned in one way or another by the spending programmes in the EU budget. To take one example, the Energy Union strategy addresses security of energy supply, the internal energy market, energy efficiency measures, research and innovation, and climate action. The Structural and Investment Funds, the environment programmes, the common agricultural policy, Horizon 2020 and climate diplomacy will all continue to contribute to these objectives. Following the COP 21 conference in Paris, the Commission continues to push towards its commitment for 20 % of the budget to address climate change; and to implement the EU's 2030 climate and energy policy framework (see annex III).

Most of the larger spending programmes also support the Digital Single Market strategy, another way in which the 2017 budget will be used by EU Member States to boost smart growth. These programmes are building digital infrastructure across the EU, helping to create an environment where digital networks and services can prosper and industry is better able to integrate new technologies.

The European Agenda on Security is another example: information exchange and actions to combat cybercrime, and investment in systems to manage borders and border security are funded primarily by the Internal Security Fund, the Schengen (SIS II) and visa information system (VIS), the European fingerprint database (Eurodac), and justice programmes, and form key elements of the priority for Justice and Fundamental Rights.

The European Union and its institutions must stand firm and work together to defeat terrorism. In this context, the 2017 draft budget consolidates the significant reinforcement for Europol included in the 2016 budget. The budget also contains a proposal for a contribution to a Preparatory Action on defence and security research, technology and development activities which will aim to illustrate very tangibly the added value of such research at the EU level.

2 ENSURING PROPER IMPLEMENTATION OF THE EU BUDGET

2.1 Sufficient payment appropriations

As the programmes of the previous MFF have reached the final stages of their implementation, the shortage of payment appropriations experienced in 2013 and 2014 eased in 2015. Therefore, in accordance with the 'payment plan' agreed by the European Parliament, the Council and the Commission in mid-2015, the Commission does not expect an 'abnormal' backlog of unpaid bills at the end of 2016, thus allowing the year 2017 to start on a sustainable basis.

Indeed, as regards payment appropriations, the Commission proposal leaves a very large margin of EUR 9,6 billion under the payment ceiling for 2017. Whereas the time-profile of the MFF ceilings already foresaw a decrease in the level of payments in 2017, the 6,2 % decrease compared with the budget 2016 is larger than originally expected. That reflects the completion of most of the 2007-2013 programmes, and a slower take-up of the Structural and Investment Funds (heading 1b) in the current 2014-2020 programming period. In the other headings the level of payments remains relatively stable as the spending programmes reach cruising speed, or increases in line with the reinforcement of commitments in the corresponding programmes during the past two years, notably in the case of heading 3. The Commission will continue to monitor the implementation of payments very closely, to anticipate possible difficulties later in the programming period, once the implementation of all programmes is at full speed.

2.2 Stronger focus on results

The present Commission took office with a promise of reform: to do different things, and to do things differently. Doing things differently means looking critically at every euro we spend, to leverage all the tools at our disposal to deliver on our objectives. At a time when resources are in greater demand than ever, the EU budget must be further geared to results.

Three guiding principles have been set for the EU budget: speed, focus and impact. The Commission's strategy 'Budget Focused on Results' (BFOR) aims to make the budget more results- and performance-oriented: better aligning it to the Commission's policy priorities; ensuring European added value; increasing the leverage effect of EU funds, and improving performance indicators. The strategy also addresses the way in which the impact of the EU budget is communicated: communication of the *results* of the programmes should have more prominence than the spending *process*. The strategy looks at simplifying the way programmes are run too, which in turn should help to enhance the cost-effectiveness of controls.

To achieve simplification (in particular in agriculture, the European Structural and Investment Funds and research), further enhance performance and boost measures linking the effectiveness of funds to sound economic governance, changes may be needed to the Financial Regulation¹⁵ (and possibly also to some specific legal bases). The Commission will present specific proposals in the second half of 2016, with a view to their possible adoption in early 2017.

The draft budget includes programme statements aiming to show what the programme has achieved to-date and what is expected of it in the near future. These statements have been enhanced in this draft budget by summaries which show results, progress, and challenges ahead. There is also a new 'EU Results Web App' that provides detailed information about how EU-funded projects contribute to improving the lives of people in Europe and elsewhere in the world¹⁶. The Commission is determined to show how the EU budget achieves better outcomes for citizens.

¹⁵ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 (OJ L 298, 26.10.2012, p. 1).

¹⁶ <https://ec.europa.eu/budget/euprojects/>

2.3 Providing sufficient administrative resources

The Commission continues to simplify and rationalise working methods, to lower overheads, and to ensure the efficient use of scarce resources. A new approach to the allocation of resources in the Commission has been followed since 2016, which aligns staff allocation to political priorities in a more transparent and evidence-based manner. Staff numbers are shrinking, but the challenges faced by the EU are not, and just one of the effects of this is much higher average working time than the Staff Regulations prescribe. Within the agreed frameworks, administrative resources need to be sufficient to guarantee the efficient implementation of the tasks entrusted to the EU institutions.

In 2017, with the reduction of 239 posts, the Commission will have achieved the target of a 5 % staff cut, over the period 2013-2017¹⁷, which translates into a total reduction of 1 254 posts. The other institutions also applied a 1 % staff reduction¹⁸.

Despite the reduction in staffing levels, administrative expenditure is driven by the growing number of staff retiring (+3,5 %) and three significant developments: 1) the necessary reinforcement of security; 2) the inclusion of a new official language (Irish); and 3) the alignment of appropriations to take account of the salary and pensions update of the end of 2015, which was only partially integrated in the 2016 budget.

The method for the annual update of salary and pensions is established in the Staff Regulations; the calculation is based on the evolution of the cost of living on Brussels and Luxembourg and of the remuneration (in real terms) of civil servants in 11 Member States. Appropriations requested for 2017 take fully into account the annual updates since the end of 2015.

53 additional posts in the institutions, of which 13 in the Commission and 14 additional contractual agents in the European Parliament, are requested to cater, in 2017, for the phasing-in of the Irish language¹⁹.

Most of the institutions have also increased their security-related expenditure. The additional extraordinary expenditure related to security for all those institutions concerned is EUR 61,8 million, of which EUR 47,6 million for the Parliament. Expenditure for the European schools takes into account a continuing increase in the number of pupils in the European schools, especially those in Frankfurt and Luxembourg, as well as the additional security needs.

The Commission proposes to offset a large part of the EUR 596,3 million unallocated margin under the ceiling of heading 5 against the mobilisation of the Contingency Margin to increase spending for migration and refugees under heading 3.

The 2017 draft budget requests staff and appropriations for **decentralised agencies** taking into account the objective of reducing total staffing levels in agencies by 5 % over five years, while still allowing certain agencies to increase their staffing numbers in order to carry out new tasks. The evolution of a set of workload, efficiency and quality indicators was used to assess the staff numbers required for a partially fee-financed agency, EASA, to assess a proposal for flexibility which may be extended to other fee-financed agencies.

¹⁷ As laid down in point 27 of the Inter-institutional Agreement (IIA) on budgetary discipline, on cooperation in budgetary matters and on sound financial management of 2 December 2013 (OJ C 373, 20.12.2013, p. 1).

¹⁸ The European Parliament has committed itself in its statement of estimates to apply the 1 % staff reduction in 2017 (equivalent to a cut of 60 posts when excluding posts relating to political groups) during its reading of DB2017.

¹⁹ OJ L 322, 8.12.2015, p. 1–3.

The 2017 draft budget takes account of decisions taken by the European Parliament and the Council in previous budgets, which have led to an overall increase of 84 posts compared to the trajectory set in the Commission's communication on decentralised agencies²⁰. With this in mind, the draft budget proposes a 1 % staff reduction compared to the 2016 budget (including amending budget 1/2016). However, in the draft budget, the Commission proposes to reinforce the human resources levels of Frontex, EASO, Europol, Cefpol and eu-LISA, in line with the policy response to migration and security threats, new policy developments which were not anticipated when the 2014-2020 MFF was agreed.

* * *

²⁰

COM(2013) 519, 10.7.2013.

3 THE MULTIANNUAL FINANCIAL FRAMEWORK AND THE 2017 DRAFT BUDGET

3.1 Ceilings of the multiannual financial framework for the 2017 budget

The ceilings for commitment and payment appropriations in the multiannual financial framework (MFF)²¹ for the establishment of the 2017 draft budget are presented in the table below:

Heading	2017 MFF ceilings million EUR, at current prices
Commitment appropriations	
1. Smart and inclusive growth	73 512,0
1a Competitiveness for growth and jobs	19 925,0
1b Economic, social and territorial cohesion	53 587,0
2. Sustainable growth: natural resources	60 191,0
of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	44 146,0
3. Security and citizenship	2 578,0
4. Global Europe	9 432,0
5. Administration	9 918,0
of which: Administrative expenditure of the institutions	8 007,0
6. Compensations	0,0
TOTAL COMMITMENTS	155 631,0
TOTAL PAYMENTS	142 906,0

In the MFF, the overall ceiling for commitment appropriations (CA) is set at EUR 155 631 million, which represents 1,04 % of EU gross national income (GNI). The ceiling for payment appropriations (PA) is EUR 142 906 million, or 0,95 % of GNI.

²¹ OJ L 347, 20.12.2013, p. 884. The figures are based on the technical adjustment of the financial framework for 2017 in line with movements in GNI, adopted by the Commission on 30 June 2016 (COM(2016) 311).

3.2 Overview of the 2017 draft budget

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

Heading	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share in DB 2017		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
1. Smart and inclusive growth	69 841,2	66 246,7	74 682,8	56 646,7	47,4%	42,0%	4 841,6	-9 600,0	6,9%	-14,5%
<i>Of which under Global Margin for Commitments</i>	543,0		1 265,0							
<i>Ceiling</i>	69 304,0		73 512,0							
<i>Margin</i>	5,8		94,2							
1a Competitiveness for growth and jobs	19 010,0	17 402,4	21 109,0	19 298,0	13,4%	14,3%	2 099,0	1 895,6	11,0%	10,9%
<i>Of which under Global Margin for Commitments</i>	543,0		1 265,0							
<i>Ceiling</i>	18 467,0		19 925,0							
<i>Margin</i>	0,0		81,0							
1b Economic, social and territorial cohesion	50 831,2	48 844,3	53 573,8	37 348,7	34,0%	27,7%	2 742,6	-11 495,6	5,4%	-23,5%
<i>Ceiling</i>	50 837,0		53 587,0							
<i>Margin</i>	5,8		13,2							
2. Sustainable growth: natural resources	62 484,2	55 120,8	58 901,7	55 236,2	37,4%	40,9%	-3 582,5	115,4	-5,7%	0,2%
<i>Ceiling</i>	64 262,0		60 191,0							
<i>Of which offset against Contingency Margin</i>	0,0		-650,0							
<i>Margin</i>	1 777,8		639,3							
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	42 220,3	42 212,0	42 937,6	42 889,0	27,2%	31,8%	717,2	676,9	1,7%	1,6%
3. Security and citizenship	4 052,0	3 022,3	4 272,4	3 781,9	2,7%	2,8%	220,4	759,6	5,4%	25,1%
<i>Of which under Flexibility Instrument</i>	1 506,0		530,0							
<i>Of which under Contingency Margin</i>	0,0		1 164,4							
<i>Ceiling</i>	2 546,0		2 578,0							
<i>Margin</i>	0,0		0,0							
4. Global Europe	9 167,0	10 155,6	9 432,0	9 289,7	6,0%	6,9%	265,0	-865,9	2,9%	-8,5%
<i>Of which under Flexibility Instrument</i>	24,0		0,0							
<i>Ceiling</i>	9 143,0		9 432,0							
<i>Margin</i>	0,0		0,0							
5. Administration	8 951,0	8 950,9	9 321,7	9 324,1	5,9%	6,9%	370,7	373,2	4,1%	4,2%
<i>Ceiling</i>	9 483,0		9 918,0							
<i>Of which offset against Contingency Margin</i>	0,0		-514,4							
<i>Margin</i>	532,0		81,9							
Of which: Administrative expenditure of the institutions	7 134,9	7 134,8	7 365,2	7 367,6	4,7%	5,5%	230,3	232,8	3,2%	3,3%
Appropriations for headings 1 to 5	154 495,4	143 496,3	156 610,6	134 278,6	99,3%	99,5%	2 115,2	-9 217,7	1,4%	-6,4%
<i>Of which under Flexibility Instrument</i>	1 530,0	832,8	530,0	981,1						
<i>Of which under Global Margin for Commitments</i>	543,0		1 265,0							
<i>Of which under Contingency Margin</i>	0,0	0,0	1 164,4	0,0						
<i>Ceiling</i>	154 738,0	144 685,0	155 631,0	142 906,0						
<i>Of which offset against Contingency Margin</i>	0,0		-1 164,4							
<i>Margin ⁽²⁾</i>	2 315,6	2 021,5	815,4	9 608,5						
Appropriations as % of GNI ⁽³⁾	1,05%	0,98%	1,04%	0,89%						
Other Special instruments ⁽⁴⁾	524,6	389,0	1 046,9	620,0	0,7%	0,5%	522,3	231,0	99,6%	59,4%
Total appropriations	155 020,0	143 885,3	157 657,5	134 898,6	100,0%	100,0%	2 637,5	-8 986,7	1,7%	-6,2%
Appropriations as % of GNI ⁽³⁾	1,06%	0,98%	1,05%	0,90%						

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

(2) In the technical adjustment of the MFF as adopted on 30 June 2016 (COM(2016) 311, the Commission has used the Global Margin for Payments (GMP) resulting from the execution of payment appropriations in the 2015 budget to increase the payment ceilings for the years 2018, 2019 and 2020, by respectively EUR 455, 465 and 474 million. The GMP is mentioned in chapter 1 ('general provisions') and not chapter 2 ('special instruments') of the MFF Regulation The Emergency

Heading	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share in DB 2017		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
Aid Reserve, the EGF, the EUSF, the Flexibility Instrument, the Contingency Margin and the Global Margin for Commitments are mentioned in chapter 2.										
(3) The draft budget is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2016.										
(4) 'Other Special instruments' includes the 'Emergency Aid Reserve (EAR)', the 'European Globalisation Adjustment Fund (EGF)' and the 'European Union Solidarity Fund (EUSF)'. The corresponding appropriations are considered outside the MFF ceilings for the purpose of the calculation of the corresponding margins. This is also the case for the appropriations related to the Flexibility Instrument.										

The proposed level of expenditure for 2017 broadly reflects the indicative financial programming for 2017, as technically updated in January 2016 following the adoption of the 2016 budget, and which includes the agreed recourse to the Global Margin for Commitments (EUR 1 265,0 million) to finance the European Fund for Strategic Investments (EFSI)²² in 2017.

The main deviation from the indicative financial programming concerns migration and refugee-related expenditure in heading 3, for which the Commission proposes to make maximum use of the flexibility offered by the MFF Regulation to ensure that the response to the refugee and migration crisis can be sustained in 2017 at the same level as 2016, including the new emergency humanitarian support instrument for actions inside the Union²³. Therefore, the Commission proposes the following:

1. The full mobilisation of the Flexibility Instrument²⁴ available in 2017 (EUR 530,0 million).
2. The mobilisation of the Contingency Margin²⁵ for commitments for an amount of EUR 1 164,4 million. The Contingency Margin is mobilised as a last resort, after having made full use of all other possible options, including redeployment, full use of the expenditure ceiling for commitments of heading 3, and the Flexibility Instrument. The MFF Regulation requires amounts made available through the mobilisation of the Contingency Margin to be fully offset against the margins of one or more other MFF headings in the current or future financial years, and thus the Commission proposes to offset the full amount against the 2017 unallocated margins in headings 2 (EUR 650,0 million) and 5 (EUR 514,4 million) without pre-empting the room for manoeuvre of future years.
3. For heading 1a, as agreed in 2015, the Global Margin for Commitments will also be used, for an amount of EUR 1 265,0 million, to finance the European Fund for Strategic Investments (EFSI).

²² OJ L 169, 1.7.2015, p. 1.

²³ Council Regulation (EU) 2016/369 on the provision of emergency support within the Union (OJ L 70, 16.3.2016, p. 1).

²⁴ COM(2016) 313, 30.06.2016.

²⁵ COM(2016) 314, 30.06.2016.

The section below sets out the main evolution of expenditure by MFF heading, as compared to the 2016 budget as modified by amending budget No 1/2016 and draft amending budgets No 2 and 3/2016.

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

Heading	Budget 2016 excluding reprogramming ²⁶	Budget 2016	DB 2017 excluding reprogramming	DB 2017	Difference (3 – 1)		Difference (4 – 2)	
	(1)	(2)	(3)	(4)				
1a. Competitiveness for growth and jobs	19 010,0	19 010,0	21 109,0	21 109,0	2 099,0	11,0%	2 099,0	11,0%
1b. Economic, social and territorial cohesion	50 831,2	50 831,2	53 530,3	53 573,8	2 699,2	5,3%	2 742,6	5,4%
2. Sustainable growth: natural resources	58 131,6	62 484,2	58 901,7	58 901,7	770,2	1,3%	-3 582,5	-5,7%
3. Security and citizenship	3 884,0	4 052,0	4 208,3	4 272,4	324,3	8,3%	220,4	5,4%
4. Global Europe	9 167,0	9 167,0	9 432,0	9 432,0	265,0	2,9%	265,0	2,9%
5. Administration	8 951,0	8 951,0	9 321,7	9 321,7	370,7	4,1%	370,7	4,1%
Appropriations for headings 1 to 5	149 974,8	154 495,4	156 610,6	156 610,6	6 635,8	4,4%	2 115,2	1,4%
9. Special instruments	524,6	524,6	1 046,9	1 046,9	522,3	99,6%	522,3	99,6%
Total appropriations	150 499,4	155 020,0	157 550,0	157 657,5	7 050,5	4,7%	2 637,5	1,7%

Total *commitment* appropriations, in the draft budget (DB) 2017 (including the special instruments) are set at EUR 157 657,5 million, corresponding to 1,05 % of GNI²⁷, and EUR 2 637,5 million above the 2016 budget. The resulting total margin under the MFF ceilings for commitments stands at EUR 815,4 million. Both the 2016 budget and the 2017 draft budget include the reprogramming of 2014 appropriations for territorial cooperation, rural development and the shared management programmes of heading 3 (AMIF and ISF). The table above shows that, not counting this reprogramming effect, total 2017 commitments increase by 4,7 %, with the greatest effect in heading 2 (1,3 % increase, instead of a -5,7 % decrease).

Payment appropriations (including the special instruments) amount to EUR 134 898,6 million, corresponding to 0,90 % of GNI. This represents a -6,2 % decrease compared to payment appropriations in the 2016 budget. The margin left under the payment ceiling of the MFF for 2017 amounts to EUR 9 608,5 million.

Commitment appropriations for 'Competitiveness for growth and jobs' (heading 1a) are set at EUR 21 109,0 million. This is an increase of 11,0 % compared to the 2016 budget, mostly relating to the European Fund for Strategic Investments (EFSI), the Connecting Europe Facility (CEF) and Erasmus+. This leaves a margin of EUR 81,0 million, after making use of the Global Margin for Commitments for an amount of EUR 1 265,0 million. Payment appropriations increase by 10,9 % to EUR 19 298,0 million.

For 'Economic, social and territorial cohesion' (heading 1b) commitment appropriations increase by 5,4 % to EUR 53 573,8 million, leaving a margin of EUR 13,2 million. Because of the frontloading of the Youth Employment Initiative (YEI, specific top-up allocation) in 2014 and 2015, no commitments are proposed at this stage for 2017 pending the results of the evaluation of the programme. Payment appropriations for the heading as a whole decrease by -23,5 % compared to the 2016 budget, to EUR 37 348,7 million. This is the combined result of the progressive completion of the 2007-2013 programmes, which is only partially offset by the increase in payment appropriations under the new programmes. The new programmes have been slower to get off the ground than expected.

²⁶ 'Reprogramming' refers to the revision of the MFF and the adoption of Amending budget No 1 of the EU for the financial year 2015: OJ L 190, 17.7.2015, p. 1. This was a necessary condition for the adoption in 2015 of the programmes which had not been adopted at that time and for which the 2014 allocation had not been used. The corresponding commitments were reprogrammed to subsequent years.

²⁷ The draft budget is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2016.

Commitment appropriations for 'Sustainable growth: natural resources' (heading 2) are set at EUR 58 901,7 million. This looks like a reduction (-5,7 %) compared to the 2016 budget; however, as mentioned above, it actually represents an increase of 1,3 % if the distorting effect of the reprogramming of the 2014 tranche of commitments for rural development is not counted. The level of expenditure leaves a margin of EUR 1,3 billion under the ceiling, EUR 650,0 million of which is proposed to offset the use of the Contingency Margin for migration and refugee-related expenditure in heading 3. Payment appropriations amount to EUR 55 236,2 million, with an increase of 0,2 % compared to 2016. The funding for market related expenditure and direct payments is EUR 42 937,6 million in commitment appropriations, and EUR 42 889,0 million in payment appropriations.

The Commission proposes to increase the level of commitment appropriations for 'Security and citizenship' (heading 3) by 5,4 % in comparison with the 2016 budget to EUR 4 272,4 million. The budget for this heading was already well above the financial programming in 2016 through the mobilisation of the Flexibility Instrument (EUR 1,5 billion). Given the scale of the challenge of the refugee and migration crises, the Commission proposes to sustain the level of effort for migration and security funding in this heading in 2017, including the new Instrument for emergency support within the Union. This leaves no margin under the heading and will require the mobilisation of both the Flexibility Instrument to its maximum possible extent in 2017 (EUR 530,0 million) and the Contingency Margin (EUR 1 164,4 million). Payment appropriations increase by 25,1 % to EUR 3 781,9 million, resulting from the increase of commitment appropriations in 2015, 2016 and 2017 to address the refugee and migration crisis.

For 'Global Europe' (heading 4) the Commission proposes an increase in commitment appropriations of 2,9 % to EUR 9 432,0 million, leaving no margin under the expenditure ceiling. This is to tackle the external dimension of the refugee crisis, in particular honouring pledges made towards neighbouring countries bearing a large burden such as Turkey, Jordan and Lebanon. Payment appropriations decrease by -8,5 % to EUR 9 289,7 million, now that the backlog of outstanding commitments under this heading has been brought under control.

Commitment and payment appropriations for 'Administration' (heading 5) for all institutions combined including pensions and European schools increase by 4,1 %, with commitments set at EUR 9 321,7 million. Irish has now become a new official language and institutions have to comply with the new linguistic requirements. Moreover, institutions are stepping up their security systems. Expenditure for the European schools takes into account a continuing increase in the number of pupils in the schools, especially those in Frankfurt and Luxembourg.

The draft budget incorporates adjustments made by the Commission to align better the draft estimates of expenditure for the Economic and Social Committee and the Committee of the Regions. Details on the implementation of the staff reduction are presented in section 5 ('horizontal issues') below.

The margin under the ceiling of heading 5 amounts to EUR 596,3 million, EUR 514,4 million of which is proposed to offset the use of the Contingency Margin for migration-related expenditure in heading 3.

Section 4 below provides more details on the main programmes and actions financed within each expenditure heading. In addition, cross-cutting issues are presented in section 5 ('horizontal issues'). These two sections present in more detail the request for payment appropriations (broken down by groups of operational programmes), human resources, Commission administrative expenditure outside heading 5, agencies and other bodies, and actions without a specific legal base. Annex I provides an overview of the multiannual financial framework 2014-2020. Annex II shows the 2017 draft budget broken down by policy area and MFF heading, including for human resources. Annex III presents estimates of the contribution that the EU budget makes to the mainstreaming of climate action and biodiversity. Finally, Annex IV provides an overview of the human and financial resources requested for decentralised and executive agencies.

4 KEY ASPECTS OF 2017 DRAFT BUDGET BY FINANCIAL FRAMEWORK HEADINGS

4.1 Heading 1a — Competitiveness for growth and jobs

4.1.1 Summary Table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Large infrastructure projects	1 767,9	1 564,8	1 827,6	1 810,6	8,7%	9,4%	59,8	245,8	3,4%	15,7%
— Nuclear Safety and Decommissioning	135,6	150,0	138,4	150,1	0,7%	0,8%	2,7	0,1	2,0%	0,1%
— European Fund for Strategic Investments (EFSI)	2 055,0	525,0	2 661,0	2 316,8	12,6%	12,0%	606,0	1 791,8	29,5%	341,3%
— Common Strategic Framework (CSF) Research and Innovation	9 856,2	10 344,9	10 637,1	10 537,1	50,4%	54,6%	781,0	192,2	7,9%	1,9%
— Competitiveness of enterprises and small and medium-sized enterprises (COSME)	295,3	262,3	299,3	369,2	1,4%	1,9%	4,1	106,9	1,4%	40,8%
— Education, Training and Sport (Erasmus+)	1 734,0	1 805,1	2 014,2	1 886,9	9,5%	9,8%	280,2	81,8	16,2%	4,5%
— Employment and Social Innovation (EaSI)	127,1	90,3	130,0	93,5	0,6%	0,5%	2,9	3,2	2,3%	3,6%
— Customs, Fiscalis and Anti-Fraud	125,6	124,3	137,1	117,2	0,6%	0,6%	11,5	-7,0	9,1%	-5,7%
— Connecting Europe Facility (CEF)	2 211,6	1 673,8	2 536,7	1 218,8	12,0%	6,3%	325,1	-455,0	14,7%	-27,2%
— Energy projects to aid economic recovery (EERP)	p.m.	176,0	p.m.	110,0	0,0%	0,6%		-66,0	0,0%	-37,5%
— Other actions and programmes	211,3	203,4	219,9	196,3	1,0%	1,0%	8,7	-7,1	4,1%	-3,5%
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	134,9	123,4	137,9	125,3	0,7%	0,6%	3,0	1,8	2,2%	1,5%
— Pilot projects and preparatory actions	29,6	32,1	25,0	30,0	0,1%	0,2%	-4,6	-2,1	-15,5%	-6,6%
— Decentralised agencies	326,1	327,0	344,7	336,2	1,6%	1,7%	18,6	9,2	5,7%	2,8%
Total	19 010,0	17 402,4	21 109,0	19 298,0	100%	100%	2 099,0	1 895,6	11,0%	10,9%
<i>Of which under Global Margin for Commitments</i>	<i>543,0</i>		<i>1 265,0</i>							
<i>Ceiling</i>	<i>18 467,0</i>		<i>19 925,0</i>							
<i>Margin</i>	<i>0,0</i>		<i>81,0</i>							

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

4.1.2 Priorities for 2017

The European economy continues to recover, although with varying pace in the different Member States. As the world economy is now facing major challenges and turbulence, such moderate and unevenly distributed growth will bear additional risks. While the present recovery builds chiefly on consumption, the EU budget acts to support investments, to counteract risk aversion, which is still strong, and to increase the competitiveness of the productive system. EU initiatives like the European Fund for Strategic Investments (EFSI) boost viable investment projects so that they can deploy their full potential in contributing to long term growth and job creation. The resources devoted to competitiveness and growth in the 2017 draft budget will be stepped up and will deploy their multiplying effect through significant investment in the European economy, supporting enterprises and SMEs, encouraging research, technological development and innovation, reinforcing the pan-European infrastructure for transport, energy and ICT, as well as promoting education and social skills. Large-scale projects such as Galileo, Copernicus and ITER will continue to be supported, ensuring that the European Union contributes to leading technological and other strategic sectors.

Last but not least, in view of the evident need for increased security cooperation in Europe, the Commission proposes a preparatory action for defence research building on the pilot project 'Common Security and Defence Policy research' promoted by the European Parliament.

4.1.3 European Fund for Strategic Investments (EFSI)

'European Fund for Strategic Investments'	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Guarantee for the European Fund for Strategic Investments (EFSI)	p.m.	p.m.	p.m.	p.m.	0,0%	0,0%			0,0%	0,0%
— Provisioning of the EFSI guarantee fund	2 030,0	500,0	2 641,0	2 300,0	99,2%	99,3%	611,0	1 800,0	30,1%	360,0%
— European Investment Advisory Hub (EIAH) and European Investment Project Portal (EIPP)	20,0	20,0	20,0	16,8	0,8%	0,7%		-3,2	0,0%	-16,0%
— Fees due to the European Investment Fund for increased assistance under the European Fund for Strategic Investments	5,0	5,0	p.m.	p.m.	0,0%	0,0%	-5,0	-5,0	-100,0%	-100,0%
Total	2 055,0	525,0	2 661,0	2 316,8	100%	100%	606,0	1 791,8	29,5%	341,3%

In line with the financial programming, the commitment appropriations allocated to the constitution of the EFSI Guarantee Fund will further increase in 2017. The payment appropriations allocated increase significantly in line with the progressive phasing-in of the operations. The EU Guarantee Fund provides a liquidity buffer for the Union budget against potential calls on the EUR 16 billion EU guarantee to cover losses incurred on investments supported by EFSI.

EUR 20,0 million will help cover the costs of the European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP). The EIAH provides strengthened support for project development and preparation by establishing a single point of entry for questions related to technical assistance for investments within the Union; the EIPP is a central EU project information platform providing viable projects with visibility to international investors.

The European Investment Fund (EIF) will provide assistance in implementing the "Small and Medium-sized Enterprise Window" (SMEW) under the EFSI. Start-up fees need to be paid within a short period following the signature of the amendment to the EFSI agreement. As foreseen in the EFSI Regulation, these fees will be deducted from revenues, recoveries or other payments received. For 2017, a token entry (p.m.) is included as revenues are expected to materialise and cover a large part of the fees.

4.1.4 Large infrastructure projects

(in million EUR, rounded figures at current prices)

'Large infrastructure projects' by programmes	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— European satellite navigation systems (EGNOS and Galileo)	848,2	504,0	895,0	645,0	49,0%	35,6%	46,8	141,0	5,5%	28,0%
— International Thermonuclear Experimental Reactor (ITER)	275,5	115,2	266,5	188,1	14,6%	10,4%	-9,0	73,0	-3,3%	63,4%
— European Earth Observation Programme (Copernicus)	583,6	580,0	604,8	694,2	33,1%	38,3%	21,3	114,2	3,6%	19,7%
— Support expenditure	60,6	60,6	61,3	61,3	3,4%	3,4%	0,7	0,7	1,1%	1,1%
— Completion (prior to 2014)	0,0	305,0	0,0	222,0	0,0%	12,3%	0,0	-83,0	0,0%	-27,2%
Total	1 767,9	1 564,8	1 827,6	1 810,6	100%	100%	59,8	245,8	3,4%	15,7%

4.1.4.1 European satellite navigation systems ('EGNOS' and 'Galileo')

The EU satellite navigation programmes ('EGNOS' and 'Galileo') provide an important contribution to the 'Europe 2020 strategy' and to delivering an effective space policy.

'EGNOS', the European Geostationary Navigation Overlay Service, improves the accuracy and reliability of the US 'Global Positioning System' (GPS) across Europe. EGNOS has been fully operational since 2011 and enables increased safety and efficiency/productivity in a wide range of domains while reducing environmental impacts. EGNOS is instrumental to many EU policies, such as transport, climate change, environment, agriculture or industry. EGNOS also makes GPS suitable for safety-critical applications such as operating aircraft. Its Safety of Life Service provides the integrity needed for more precise landings, fewer delays and diversions and more efficient routes. In Europe, 315 EGNOS-based landing approaches are currently available at more than 170 airports in fifteen countries.

'Galileo' is the EU programme to develop Europe's own global navigation satellite system providing a highly accurate global positioning service under civilian control. Galileo will offer autonomous navigation and positioning services, but will also be compatible with the US GPS satellite navigation system. Galileo is entirely financed by the EU budget. It will ensure Europe's autonomy in an area that is of strategic importance to both its economy and security. Galileo will be used for strategic purposes, for critical business processes that require uninterrupted navigation, and for timing services needed for the synchronisation of electricity grids and telecommunication networks. The Galileo system will consist of an array of 30 satellites in orbit and the necessary ground infrastructure to control the satellites and enable the provision of positioning, navigation and timing services.

In 2015 six Galileo satellites were deployed successfully, raising the total number of Galileo satellites to twelve. In parallel, major updates of the ground segment took place increasing the performance, robustness and availability of the ground infrastructure. The Galileo initial services declaration is expected to take place before the end of 2016. Initial services are due to include: an initial Open Service, an initial Search and Rescue Service and an initial Public Regulated Service. To that end, it is essential to continue the deployment of the infrastructure, in particular with the launch of additional satellites and the deployment of the service facilities. Although the provision of initial services is a crucial milestone, it is only a step towards achieving full operational capability of the system in 2020.

The satellite-based service industry is of major importance for the EU economy as it turns the investment made in space infrastructure into real applications and services to benefit citizens. The Galileo programme presents a great business opportunity, not just for companies delivering the satellites or ground segment but also for downstream industry, the people who work in the areas of receivers, platforms, and the development of innovative services. Galileo gives equipment manufacturers, application developers and providers of 'reliability-critical' services the opportunity to create a range of new business opportunities.

4.1.4.2 International Thermonuclear Experimental Reactor (ITER)

The European Joint Undertaking for ITER and the Development of Fusion Energy ('Fusion for Energy') provides the contribution of the European Atomic Energy Community ('EURATOM') to the ITER International Organisation. The 'ITER' project aims to demonstrate fusion as a viable and sustainable source of energy by building and operating an experimental fusion reactor as a major step towards the creation of prototype reactors for fusion power stations that are safe, sustainable, environmentally responsible and economically viable. 'ITER' is part of the 'Strategic Energy Technology' Plan, contributing to the long-term EU energy strategy. It also contributes to the 'Europe 2020 strategy', as the mobilisation of European high-tech industries, which are involved in the construction of 'ITER', should provide the EU with a global competitive advantage in this promising sector.

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

In 2015 progress on the reactor construction became visible with the Assembly hall building and the Diagnostic building walls almost completed. Moreover, special efforts have been made to control the delays and accelerate this international research project. In particular, the ITER work plan is under revision to make it a more robust and reliable basis for future decisions.

4.1.4.3 European Earth Observation Programme (Copernicus)

The European Earth Observation and Monitoring Programme 'Copernicus' gathers and structures multiple sources of information, such as satellite and "in-situ" data, in order to provide users, European public authorities, the private sector and the international scientific community with continuous, independent and reliable access to Earth observation data and services information. The objective is to better manage the environment and the climate, as well as to contribute to enhanced safety and security. The EU investment finances the deployment and operations of cutting-edge new satellites and services which fulfil users' steadily increasing demands for operational data and service information. 'Copernicus' also ensures the continuity of crucial data sets to monitor the environment and climate change. It contributes to economic growth and the creation of jobs: its direct investments support the competitiveness of Europe's Space industry by boosting commercial applications, in many different sectors, through a fully free and open access to 'Copernicus' data and information.

With two satellites launched in 2014/2015 and the reinforcement of the ground infrastructure for the reception, processing, distribution and archiving of data, the programme continues its steady development. Presently, two services (emergency management and land monitoring) are fully working. During 2016 and 2017, four additional satellites are expected to join the constellation.

4.1.5 Common Strategic Framework (CSF) for Research and Innovation

The table below gives an overview of the Common Strategic Framework for Research and Innovation, broken down by programmes and objectives, and compared to the 2016 budget.

(in million EUR, rounded figures at current prices)

CSF for Research and Innovation by programmes and objectives	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Horizon 2020	9 539,4	10 069,1	10 295,9	10 189,4	96,8%	96,7%	756,5	120,3	7,9%	1,2%
— Excellent science	2 888,8	1 523,0	3 188,3	2 196,2	30,0%	20,8%	299,5	673,2	10,4%	44,2%
— European Research Council (ERC)	1 622,7	591,9	1 736,5	934,5	16,3%	8,9%	113,7	342,7	7,0%	57,9%
— Future and Emerging Technologies (FET)	215,4	244,1	322,1	216,7	3,0%	2,1%	106,7	-27,4	49,5%	-11,2%
— Marie Skłodowska-Curie actions	768,9	508,5	820,2	700,4	7,7%	6,6%	51,3	191,9	6,7%	37,7%
— Research infrastructures	281,8	178,6	309,5	344,6	2,9%	0,0	27,7	166,0	9,8%	93,0%
— Industrial leadership	1 788,9	1 742,3	1 992,8	1 837,7	18,7%	17,4%	203,9	95,4	11,4%	5,5%
— Leadership in enabling and industrial technologies	1 387,7	1 355,0	1 515,0	1 430,9	14,2%	13,6%	127,3	75,8	9,2%	5,6%
— Access to risk finance	329,4	337,6	400,3	358,8	3,8%	3,4%	71,0	21,2	21,5%	6,3%
— Innovation in SMEs	71,9	49,7	77,5	48,0	0,7%	0,5%	5,6	-1,6	7,8%	-3,3%
— Societal challenges	2 792,3	1 955,0	2 980,7	2 436,0	28,0%	23,1%	188,4	481,0	6,7%	24,6%
— Health, demographic change and wellbeing	642,9	442,2	642,9	559,2	6,0%	5,3%	0,0	117,0	0,0%	26,4%
— Food security, sustainable agriculture and the bio-economy	356,4	169,0	422,4	281,7	4,0%	2,7%	66,0	112,7	18,5%	66,7%
— Secure, clean and efficient energy	660,0	498,7	681,4	531,1	6,4%	5,0%	21,4	32,4	3,2%	6,5%
— Smart, green and integrated transport	442,5	302,3	477,3	431,1	4,5%	4,1%	34,8	128,8	7,9%	42,6%
— Climate action and resource efficiency, including raw materials	359,5	213,1	394,2	294,1	3,7%	2,8%	34,6	81,0	9,6%	38,0%
— Inclusive, innovative and secure societies	330,9	329,8	362,5	338,9	3,4%	3,2%	31,6	9,1	9,6%	2,8%
— Spreading excellence and widening participation	159,0	88,3	182,0	157,6	1,7%	1,5%	23,0	69,4	14,5%	78,6%
— Horizontal activities of Horizon 2020	109,2	79,8	114,7	104,6	1,1%	1,0%	5,6	24,8	5,1%	31,1%
— Joint Undertakings	916,9	562,5	872,2	706,3	8,2%	6,7%	-44,7	143,8	-4,9%	25,6%
— European Institute of Innovation and Technology - integrating the knowledge triangle of higher education, research and innovation	224,9	251,8	300,4	314,3	2,8%	3,0%	75,5	62,4	33,6%	24,8%
— Non-nuclear actions of JRC	25,2	24,5	27,2	25,5	0,3%	0,2%	2,0	1,0	7,9%	4,1%
— Support expenditure	634,3	634,3	637,6	637,6	6,0%	6,1%	3,3	3,3	0,5%	0,5%
— Completion (prior to 2014)	0,0	3 207,6	0,0	1 773,6	0,0%	16,8%	0,0	-1 434,0	0,0%	-44,7%
— Euratom Research and Training Programme	316,7	275,7	341,2	347,7	3,2%	3,3%	24,5	72,0	7,7%	26,1%
— Euratom	202,0	143,7	226,3	224,7	2,1%	2,1%	24,2	80,9	12,0%	56,3%
— Support expenditure	114,7	114,7	114,9	114,9	1,1%	1,1%	0,2	0,2	0,2%	0,2%
— Completion (prior to 2014)	0,0	17,3	0,0	8,1	0,0%	0,1%	0,0	-9,2	0,0%	-53,2%
Total	9 856,2	10 344,9	10 637,1	10 537,1	100,0%	100,0%	781,0	192,2	7,9%	1,9%
Of which indirect research	9 488,4	9 974,4	10 264,7	10 165,9	96,5%	96,5%	776,3	191,5	8,2%	1,9%
Of which direct research	367,8	370,4	372,4	371,2	3,5%	3,5%	4,6	0,7	1,3%	0,2%

4.1.5.1 ‘Horizon 2020’ — The Framework Programme for Research and Innovation (2014-2020)

Around half of the budget for the heading is allocated to ‘Horizon 2020’, reflecting the important contribution of research, technological development and innovation in delivering jobs, prosperity and quality of life.

‘Horizon 2020’ is designed to address the challenges Europe is facing through funding excellent science, technology and innovation. It stimulates the economy and secures the science and technology base and industrial competitiveness for the future, contributing towards a smarter, more sustainable and more inclusive society.

In 2017, ‘Horizon 2020’ will continue to contribute to the key priorities of the Commission, in particular focusing on:

1. Generating excellent science in order to strengthen the Union’s world-class excellence in science (*Part I, ‘Excellent Science’*). This part aims to reinforce and extend the excellence of the Union’s science base and to consolidate the European Research Area in order to make the Union’s research and innovation system more competitive on a global scale. In line with the programming, the major element remains the European Research Council (ERC), investments in future and emerging technologies will be further increased;
2. Fostering industrial leadership to support business, including small and medium-sized enterprises (SME) and innovation (*Part II, ‘Industrial leadership’*). Emphasis will again be placed on funding research and development in selected enabling and industrial technologies, a further increased budget for enhanced access to risk finance for investing in research and innovation, as well as stimulation of innovation in SMEs;
3. Tackling societal challenges, in order to respond directly to the challenges identified in the ‘Europe 2020 strategy’ by supporting activities covering the entire spectrum from research to market (*Part III, ‘Societal challenges’*). This part addresses major concerns shared by citizens in Europe and elsewhere.

In addition, the Commission's Joint Research Centre (JRC) and the European Institute of Innovation and Technology (EIT) contribute to the Horizon 2020 objectives. ‘Horizon 2020’ supports the non-nuclear direct actions of the JRC, to enable the JRC to provide independent and sound scientific input to evidence-based policy making and thus underpin Europe’s development towards smart, sustainable and inclusive growth. Within ‘Horizon 2020’ the EIT brings together excellent higher education institutions, research centres and businesses to create the entrepreneurs of tomorrow and to ensure that this European ‘knowledge triangle’ is a match for the world’s best. The EIT is based on a pioneering concept of cross-border public-private partnership hubs known as ‘Knowledge and Innovation Communities’ (KICs).

To maximise the impact of EU funding, ‘Horizon 2020’ includes Public-Public as well as Public-Private Partnerships in accordance with Article 185 and Article 187 of the TFEU, respectively. By pooling investments, these Partnerships enable major technological breakthroughs that cannot be achieved by individual countries or companies. More specifically, continued funding is provided to four Public-Public Partnerships²⁸, and seven Public-Private Partnerships in key sectors such as pharmaceuticals, energy, transport and electronics²⁹.

²⁸ Research and Development Programme aimed at supporting research performing small and medium-sized enterprises’ (EUROSTARS), ‘European Metrology Programme for Innovation and Research’ (EMPIR), ‘European and Developing Countries Clinical Trials Partnership Programme’ (EDCTP2) and ‘Active and Assisted Living Research and Developing Programme’ (AAL)

²⁹ ‘Innovative Medicines Initiative 2’ (IMI2), ‘Clean Sky 2’, ‘ECSEL’ (electronic components and systems), ‘Bio-Based Industries’ (BBI), ‘Fuel Cells and Hydrogen 2’ (FCH2), ‘SESAR’ (Single European Sky – Air Traffic Management) and ‘Shift2Rail’.

4.1.5.2 Research and Training Programme of the European Atomic Energy Community (Euratom programme)

The 'Euratom Programme' (2014-2018) aims to pursue nuclear research and training activities, putting emphasis on continuous improvement of nuclear safety, security and radiation protection, notably by potentially contributing to the long-term decarbonisation of the energy system in a safe, efficient and secure way. The programme strengthens scientific evidence for policy and promotes innovation and industrial competitiveness. It also facilitates the involvement of the private sector as well as SMEs where appropriate.

The indirect actions of the 'Euratom Programme' focus on two areas: 1) nuclear fission, safety and radiation protection, and 2) fusion research aiming at developing magnetic confinement fusion as an energy source. In the area of nuclear fission and radiation protection, the programme supports the improvement of nuclear safety and contributes to the development of safe, longer term solutions for the management of nuclear waste. In addition, emphasis is given to supporting radiation protection and developing medical applications of radiation for diagnosis and treatment of diseases. As regards indirect actions for fusion research, the programme supports the successful construction and eventual exploitation of the ITER project.

The 'Euratom Programme' for direct actions, implemented by the JRC, contributes to the nuclear safety research required for safe, secure and peaceful use of nuclear energy and other non-fission applications. The JRC provides a scientific basis for the relevant Union policies, and where necessary, it will react within the limits of its mission and competence to nuclear events, incidents and accidents. To that effect, the JRC carries out research and assessments, provides references and standards and delivers dedicated training and education.

4.1.6 Competitiveness of enterprises and small and medium-sized enterprises (COSME)

(in million EUR, rounded figures at current prices)

COSME by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Promoting entrepreneurship and improving the competitiveness and access to markets of Union enterprises	110,3	47,9	119,8	140,0	40,0%	37,9%	9,6	92,1	8,7%	192,2%
— Improving access to finance for small and medium-sized enterprises (SMEs) in the form of equity and debt	172,8	100,0	167,0	120,0	55,8%	32,5%	-5,8	20,0	-3,4%	20,0%
— Support expenditure	12,1	12,1	12,5	12,5	4,2%	3,4%	0,3	0,3	2,6%	2,6%
— Completion (prior to 2014)	0,0	102,2	0,0	96,7	0,0%	26,2%	0,0	-5,5	0,0%	-5,4%
Total	295,3	262,3	299,3	369,2	100,0%	100,0%	4,1	106,9	1,4%	40,8%

The programme for the 'Competitiveness of enterprises and small and medium-sized enterprises' (COSME) focuses mainly on measures to promote more dynamic and internationally-competitive SMEs. The programme is designed to create the conditions for European businesses to flourish and to ensure that SMEs are able to take full advantage of the Single Market's potential, as well as encouraging them to look beyond it. A special effort is needed to promote the development of SMEs, as a major source of economic growth and job creation, accounting for more than 67 % of private sector jobs and providing more than 58 % of total turnover in the EU. The programme promotes the creation and growth of SMEs, targeting an increase of SMEs' gross value-added by 4 % per year.

Financial instruments for growth, including equity and debt platforms to provide equity facilities and loan guarantees, enable SMEs to access funding more easily. Firstly, an equity facility for growth-phase investment provides SMEs with commercially-oriented reimbursable equity financing, primarily in the form of venture capital through financial intermediaries. Secondly, a loan facility provides SMEs with direct or other risk-sharing arrangements with financial intermediaries to cover loans.

4.1.7 Education, Training, Youth and Sport ('Erasmus+')

(in million EUR, rounded figures at current prices)

'Erasmus+' by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Promoting excellence and cooperation in the European education, training and youth area, its relevance to the labour market and the participation of young people in European democratic life	1 630,3	1 675,1	1 903,4	1 778,6	94,5%	94,3%	273,0	103,6	16,7%	6,2%
— Promoting excellence in teaching and research activities in European integration through the Jean Monnet activities worldwide	37,1	33,7	37,5	33,7	1,9%	1,8%	0,4	0,1	1,2%	0,2%
— Developing the European dimension in sport	30,0	28,0	36,0	31,2	1,8%	1,7%	6,0	3,2	20,0%	11,3%
— Support expenditure	36,6	36,6	37,3	37,3	1,9%	2,0%	0,7	0,7	2,0%	2,0%
— Completion (prior to 2014)	0,0	31,8	0,0	6,1	0,0%	0,3%	0,0	-25,7	0,0%	-81,0%
Total	1 734,0	1 805,1	2 014,2	1 886,9	100,0%	100,0%	280,2	81,8	16,2%	4,5%

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

'Erasmus+' represents a strategic investment in people as a critical factor for growth and prosperity. The objective is to reduce the percentage of 18-24 year olds who have at most only lower-secondary education and are not enrolled in education or training from 12 % in 2013 to less than 10 % in 2020. Furthermore, by 2020 at least 40 % of 30-34 year olds should be higher education graduates, as compared to 37 % in 2013. The programme will give extended opportunities for individuals to study abroad, which will be raised from slightly below 500 000 in 2014 to above 800 000 in 2020, totalling over 4 million learning mobility opportunities throughout the period 2014-2020³⁰.

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

4.1.8 Employment and Social Innovation (EaSI)

The 'Employment and Social Innovation' programme (EaSI) supports three main axes:

- the modernisation of employment and social policies with the PROGRESS axis (61 % of the total budget);
- job mobility with the EURES axis (18 % of the total budget);
- access to micro-finance and social entrepreneurship with the Microfinance and Social Entrepreneurship axis (21 % of the total budget).

³⁰

This concerns student mobility, staff mobility, youth workers, participants in youth exchanges, participants in European Voluntary Service projects, joint degrees and masters (loan guarantees), not including international student and staff mobility financed under heading 4.

More specifically, under the ‘PROGRESS’ axis the programme supports the development, implementation, monitoring and evaluation of Union employment and social policy and legislation on working conditions and promotes evidence-based policy-making and innovation, in partnership with the social partners, civil society organisations and other interested parties. The ‘EURES’ axis aims to promote workers’ geographical mobility and boosting employment opportunities by developing Union labour markets that are open and accessible to all. EU funding under the Microfinance and Social Entrepreneurship axis is allocated to facilitate access to finance for entrepreneurs, especially those furthest from the labour market, and to social enterprises.

4.1.9 Connecting Europe Facility (CEF)

(in million EUR, rounded figures at current prices)

CEF by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Energy	620,6	160,9	737,4	118,5	29,1%	9,7%	116,8	-42,3	18,8%	-26,3%
— Transport	1 430,5	748,9	1 656,5	605,6	65,3%	49,7%	226,0	-143,3	15,8%	-19,1%
— Information and Communications Technology (ICT)	140,4	79,3	124,0	117,8	4,9%	9,7%	-16,4	38,5	-11,7%	48,6%
— Support expenditure	20,0	20,0	18,7	18,7	0,7%	1,5%	-1,2	-1,2	-6,2%	-6,2%
— Completion (prior to 2014)	0,0	664,8	0,0	358,1	0,0%	29,4%	0,0	-306,7	0,0%	-46,1%
Total	2 211,6	1 673,8	2 536,7	1 218,8	100,0%	100,0%	325,1	-455,0	14,7%	-27,2%

The ‘Connecting Europe Facility’ (CEF) supports the implementation of projects aiming to develop, construct or upgrade infrastructure in the field of transport, energy and telecommunications. The framework provides a coherent and transparent approach to EU funding that offers certainty and thus has great potential to attract more private sector financing. Financial instruments are available in a centralised and coordinated manner, improving the effectiveness of the relationship with private investors and the partner financial institutions. In addition, the progressively increasing interdependency between economic infrastructure projects, networks and sectors creates economies of scale. In turn, more efficient networks will enable the EU to achieve its targets of a 20 % reduction of greenhouse gas emissions, a 20 % increase in energy efficiency and raising the share of renewable energy to 20 % up to 2020, while ensuring greater solidarity among Member States. The number of new or improved cross-border connections is expected to reach 14 in 2020 and 36 by 2030, while the number of bottlenecks removed and sections of increased capacity for all modes of transport on core network corridors is foreseen to total 13 by 2020. The railway lines equipped with the ‘European Railway Traffic Management System’ (ERTMS) are expected to be extended up to 12 000 km by 2017 and 30 000 km by 2020 compared to 9 411 km in service and under construction in 2013.

4.1.9.1 Connecting Europe Facility — Energy

Responding to the need to ensure secure, sustainable, competitive and affordable energy for every European, on 25 February 2015 the Commission adopted a Strategy and Action Plan for creating an Energy Union³¹ – both endorsed by the European Council on 19 March 2015. The ‘CEF – Energy’ programme is a key instrument providing the EU budget contribution to achieving the objectives of the Energy Union. In particular, CEF-Energy promotes the further integration of the internal energy market and the interoperability of electricity and gas networks across borders, including by ensuring that no Member State is isolated from the European network. It enhances EU security of supply and contributes to sustainable development and protection of the environment by fostering the integration of energy from renewable sources. Under the programme, support for studies, works, and innovative financial instruments, such as project bonds, is available to energy infrastructure projects recognised as Projects of Common Interest to improve their viability and to reduce their cost of capital. In 2017, CEF-Energy funds will be allocated to projects aiming to help achieve the broader energy policy objectives of increasing competitiveness in the internal energy market, enhancing Union security of energy supply and contributing to the sustainable development and integration of renewable energy sources.

4.1.9.2 Connecting Europe Facility — Transport

The ‘CEF – Transport’ programme pursues the objectives of removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections, thus ensuring long term sustainable and efficient transport and optimising the integration and interconnection of transport modes, thereby enhancing interoperability of transport services. Investments in key infrastructure with strong EU added value can contribute to boosting Europe’s competitiveness in a difficult economic context. CEF support primarily targets core network projects, identified as the part of the ‘Trans-European Transport Network’ (TEN-T) that carries the European transport flows identified as strategically most important. In order to address specific needs of the Member States eligible for the Cohesion Fund related to project preparation and implementation, the budget for the CEF Transport programme will be topped up with funds to be transferred from the Cohesion Fund for an amount of EUR 1,6 billion in 2017. However, these funds will be earmarked exclusively for ‘TEN-T’ infrastructure projects in the Member States eligible for the Cohesion Fund.

4.1.9.3 Connecting Europe Facility — Information and Communications Technology (ICT)

In the ICT sector the CEF programme accelerates deployment of fast and ultrafast broadband networks and their uptake, including by small and medium sized enterprises (SMEs). It also promotes the interconnection and interoperability of digital service infrastructures as well as access to such networks (for example: ‘Safer internet for Children’, ‘eProcurement’, ‘Open Data’, ‘Multilingual’, ‘eHealth’ and ‘eID’). In 2017, CEF-ICT funding will be provided for digital services and broadband infrastructure which are essential for achieving a well-functioning Digital Single Market in Europe.

4.1.10 Other actions and programmes

4.1.10.1 Customs 2020 and Fiscalis 2020

Many of the activities in the customs area are of a cross-border nature. The objective is strengthening security and protecting citizens while facilitating legitimate international trade, pursuing customs modernisation and developing and managing an effective and efficient EU Customs Union. The activities involve and affect all Member States, and therefore they cannot be effectively and efficiently delivered by individual Member States. This applies also to taxation matters: very close cooperation and coordination between Member States directly implements the Commission's priorities to enhance the fight against tax fraud, tax evasion and aggressive tax planning within the Union and to reduce administrative burden. The value-added of these programmes has been recognised by the tax and customs administrations of the participating countries.

³¹ COM(2015) 80, 25.2.2015.

The ‘Customs 2020’ and ‘Fiscalis 2020’ programmes offer Member States an EU framework to develop these cooperation activities: more cost efficient than Member States each setting up their own cooperation frameworks. The backbone of the customs and tax cooperation is a highly secure dedicated communication network. It interconnects national customs and tax administrations with approximately 5 000 connection points. This common IT network ensures that every national administration only needs to connect to this common infrastructure once, to be able to exchange any kind of information. In the absence of such an infrastructure, Member States would have to connect to each of the national systems of the other Member States.

4.1.10.2 Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the field of financial services

The proposed Union programme³² will contribute to ensuring a high level of protection and to placing consumers at the heart of the single market in the field of financial services. It will support and complement Member States' policies in seeking to ensure that citizens can fully reap the benefits of the internal market and that, in so doing, their legal and economic interests are properly addressed and defended.

– *Preparatory Action for defence and security cooperation*

Conflicts and crises in neighbouring regions have led to strong political momentum for increased action at European level in the field of defence and security. In that context, the Commission proposes a new preparatory action on defence research with a budget of EUR 25,0 million in 2017.

This preparatory action will cover defence research projects that cannot be financed from Horizon 2020 because of their military nature. The action is proposed to be implemented by the intergovernmental European Defence Agency (EDA). The action will test a mechanism of cooperation with the EDA which would prepare, organise and deliver defence research, technology and development activities ensuring compatibility with EU conditions and rules.

4.1.11 *Payment appropriations for heading 1a*

The total level of payment appropriations requested for heading 1a in 2017 is set at EUR 19 298,0 million. This is 10,9 % above the level in the 2016 budget and 0,6 % when excluding the impact of the funding profile of the EFSI. This level of payments will allow the increase of the outstanding commitments under this heading to be managed. For each of the 2014-2020 programmes and actions, the Commission has made a thorough analysis of the delivery mechanism in the legal bases. Based on this analysis and on past experience, the Commission determined when payments are likely to be made in 2017. Payments on 2014-2020 programmes, intended to cover notably the pre-financing of projects selected in calls for proposals in 2016 and 2017, amount to EUR 15 755,1 million, of which EUR 336,2 million is needed to cover the EU contributions to decentralised agencies under this heading. An amount of EUR 500 million is frontloaded to respond to a change in the design of the SME window of the EFSI. A further EUR 842,7 million will be used to pay non-differentiated administrative expenditure, for which commitments are equal to payments.

The Commission estimates that the need for intermediate and final payments on outstanding commitments made prior to 2014 under heading 1a will amount to EUR 2 700,1 million in 2017.

³² COM(2016) 388, 15.6.2016.

4.2 Heading 1b — Economic, social and territorial cohesion

4.2.1 Summary tables for commitment (CA) and payment (PA) appropriations

4.2.1.1 Summary table by objectives and programmes

(in million EUR, rounded figures at current prices)

	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Investment for growth and jobs	46 656,7	45 841,6	49 278,5	34 656,5	92,0%	92,8%	2 621,7	-11 185,2	5,6%	-24,4%
— Regional convergence (Less developed regions)	24 766,7	27 988,3	26 121,9	19 314,9	48,8%	51,7%	1 355,2	-8 673,3	5,5%	-31,0%
— Transition regions	5 028,8	2 788,0	5 627,2	3 324,0	10,5%	8,9%	598,5	536,0	11,9%	19,2%
— Competitiveness (More developed regions)	7 905,1	8 341,3	8 251,5	5 896,4	15,4%	15,8%	346,3	-2 444,9	4,4%	-29,3%
— Outermost and sparsely populated regions	217,7	108,0	222,0	139,9	0,4%	0,4%	4,4	31,9	2,0%	29,5%
— Cohesion fund	8 738,5	6 616,1	9 055,8	5 981,3	16,9%	16,0%	317,3	-634,8	3,6%	-9,6%
— Connecting Europe Facility (CEF) – CF contribution	2 376,5	382,8	1 593,3	382,7	3,0%	1,0%	-783,2	-0,1	-33,0%	0,0%
— European territorial cooperation	1 048,8	922,5	1 939,8	1 069,9	3,6%	2,9%	891,0	147,4	84,9%	16,0%
— Technical assistance and innovative actions	200,9	173,8	216,0	190,1	0,4%	0,5%	15,0	16,3	7,5%	9,4%
— Youth Employment initiative (specific top-up allocation)	—	1 050,0	—	600,0	0,0%	1,6%		-450,0	0,0%	-42,9%
— European Aid to the Most Deprived (FEAD)	535,6	461,4	546,3	441,4	1,0%	1,2%	10,7	-20,0	2,0%	-4,3%
— Pilot projects and preparatory actions	12,5	12,1	p.m.	8,1	0,0%	0,0%	-12,5	-4,0	-100,0%	-33,0%
Total	50 831,2	48 844,3	53 573,8	37 348,7	100,0%	100,0%	2 742,6	-11 495,6	5,4%	-23,5%
<i>Of which under Flexibility Instrument</i>	<i>0,0</i>		<i>0,0</i>							
<i>Ceiling</i>	<i>50 837,0</i>		<i>53 587,0</i>							
<i>Margin</i>	<i>5,8</i>		<i>13,2</i>							

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

4.2.1.2 Summary table by period and Funds

(in million EUR, rounded figures at current prices)

Period	Fund	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
		(1)		(2)				(2 – 1)		(2 / 1)	
		CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
2000-2006	ERDF	0,0	0,0	0,0	0,0	0,0%	0,0%	0,0	0,0	0,0%	0,0%
	CF	p.m.	70,0	p.m.	p.m.	0,0%	0,0%	0,0	-70,0	0,0%	-100,0%
	ESF	0,0	0,0	0,0	0,0	0,0%	0,0%	0,0	0,0	0,0%	0,0%
	Total	0,0	70,0	0,0	0,0	0,0%	0,0%	0,0	-70,0	0,0%	-100,0%
2007-2013	ERDF	0,0	14 482,1	0,0	1 586,5	0,0%	4,2%	0,0	-12 895,6	0,0%	-89,0%
	CF	p.m.	2 468,3	p.m.	329,3	0,0%	0,9%	0,0	-2 138,9	0,0%	-86,7%
	ESF	0,0	4 579,6	0,0	700,0	0,0%	1,9%	0,0	-3 879,6	0,0%	-84,7%
	Total	0,0	21 530,0	0,0	2 615,9	0,0%	7,0%	0,0	-18 914,1	0,0%	-87,9%
2014-2020	ERDF	26 861,4	14 471,2	29 070,5	18 764,3	54,3%	50,2%	2 209,1	4 293,1	8,2%	29,7%
	CF	8 738,5	4 077,8	9 055,8	5 652,0	16,9%	15,1%	317,3	1 574,1	3,6%	38,6%
	ESF	12 015,0	7 576,1	12 883,7	9 197,7	24,0%	24,6%	868,7	1 621,6	7,2%	21,4%
	<i>Of which YEI specific top-up allocation</i>	—	1 050,0	—	600,0	0,0%	1,6%		-450,0	0,0%	-42,9%
	FEAD	535,6	461,4	546,3	441,4	1,0%	1,2%	10,7	-20,0	2,0%	-4,3%
	CEF contribution H1b	2 376,5	382,8	1 593,3	382,7	3,0%	1,0%	-783,2	-0,1	-33,0%	0,0%
	Contribution to the IPA II and ENI programmes	90,7	49,1	208,2	67,2	0,4%	0,2%	117,6	18,2	129,7%	37,1%
	Total	50 617,7	27 018,4	53 357,8	34 505,3	99,6%	92,4%	2 740,1	7 486,9	5,4%	27,7%
Total	ERDF	26 861,4	28 953,4	29 070,5	20 350,9	54,3%	54,5%	2 209,1	-8 602,5	8,2%	-29,7%
	CF	8 738,5	6 616,1	9 055,8	5 981,3	16,9%	16,0%	317,3	-634,8	3,6%	-9,6%
	ESF	12 015,0	12 155,7	12 883,7	9 897,7	24,0%	26,5%	868,7	-2 258,0	7,2%	-18,6%
	<i>Of which YEI specific top-up allocation</i>	—	1 050,0	—	600,0	0,0%	1,6%		-450,0	0,0%	-42,9%
	FEAD	535,6	461,4	546,3	441,4	1,0%	1,2%	10,7	-20,0	2,0%	-4,3%
	CEF contribution H1b	2 376,5	382,8	1 593,3	382,7	3,0%	1,0%	-783,2	-0,1	-33,0%	0,0%
	Contribution to the IPA II and ENI programmes	90,7	49,1	208,2	67,2	0,4%	0,2%	117,6	18,2	129,7%	37,1%
	Total	50 617,7	48 618,4	53 357,8	37 121,2	99,6%	99,4%	2 740,1	-11 497,2	5,4%	-23,6%
—	Technical assistance and innovative actions	200,9	173,8	216,0	190,1	0,4%	0,5%	15,0	16,3	7,5%	9,4%
—	Other	12,5	52,1	0,0	37,4	0,0%	0,1%	-12,5	-14,7	-100,0%	-28,2%
Total		50 831,2	48 844,3	53 573,8	37 348,7	100,0%	100,0%	2 742,6	-11 495,6	5,4%	-23,5%

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

4.2.2 Priorities for 2017

In the fourth year of the current programming period, the focus will be on speeding up the implementation of the Cohesion policy programmes for the period 2014-2020, following the adoption of all the operational programmes in 2014 and 2015. The managing and certifying authorities are also supposed to be designated before the end of 2016 at the latest for all programmes allowing for a more regular submission of payment applications.

The implementation of the programmes will benefit from the reinforced strategic programming put in place at the beginning of the period thanks to the Common Strategic Framework (CSF), a menu of thematic objectives in line with the ‘Europe 2020 strategy’.

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

The Funds can also, within the limits of their priorities, support those Member States facing the consequences of the refugee and migration crisis. Support can be provided either through the existing programmes if the relevant thematic objectives have already been identified or through a modification of the programmes if need be.

Cohesion policy continues to be used as an effective instrument for supporting the economic recovery. Member States receiving financial assistance may, under the current provisions of the Common Provisions Regulation (CPR), benefit from a top-up of ten percentage points above the co-financing rates applicable to expenditure financed by the European Structural and Investment (ESI) Funds until 30 June 2016. However, given the modest economic recovery across the Union and the ongoing economic and social challenges faced by several Member States, the Commission has presented to the European Parliament and the Council a legislative proposal³³ to extend the eligibility of the 10 % top-up for Member States facing temporary budgetary difficulties. Moreover, in order to take due account of the persistent fragile economic situation in Cyprus after the completion of the adjustment programme, the Commission will also propose the extension of the 85 % co-financing rate applicable to all operational programmes supported by the ERDF and ESF in Cyprus beyond the current deadline of 30 June 2017 until programme closure.

In line with the provisions of Article 7 of the MFF Regulation³⁴, in order to take account of the particularly difficult situation of Member States suffering from the crisis, the Commission has carried out in 2016 an adjustment of cohesion policy allocations by Member State for the years 2017 to 2020.

The adjustment of cohesion policy allocations is made as part of the annual technical adjustment of the MFF for the year 2017 and leads to a modification of the MFF ceilings for the years 2017-2020. It is based on the latest statistics available in spring 2016 underpinning the Investment for Growth and Jobs package of cohesion policy 2014-2020. The adjustment is calculated by applying the allocation method defined in Annex VII of the CPR. At the same time, Member States' eligibility for the Cohesion Fund has also been reviewed. The net result for 2017 is an increase of EUR 1.1 billion (in current prices, out of a total increase of EUR 4.6 billion for 2017-2020), with Greece, Italy and Spain being the main beneficiaries. This additional allocation should target youth employment, the growing challenges of the refugee and migration crisis, and investment in combination with the European Fund for Strategic Investments, taking account of the specific needs and relevance of those priorities for each Member State.

Finally, a new Structural Reform Support Programme (SRSP)³⁵ has been proposed to come into force in 2017. The purpose of this new programme, financed out of the unused amount of technical assistance at the initiative of the Commission in headings 1b (EUR 18,5 million in 2017) and 2 (EUR 5 million), will be to support structural reforms in Member States at their request.

³³ COM(2016) 418, 27.6.2016.

³⁴ OJ L 347, 20.12.2013, p. 884–891.

³⁵ COM(2015) 701 final.

4.2.2.1 Investment for growth and jobs

The ‘Investment for growth and jobs’ goal aims to deliver results and achieve the Europe 2020 strategy’s priorities of smart, sustainable and inclusive growth. With funding from the ERDF and the ESF, this objective covers (i) less developed regions, whose gross domestic product (GDP) per capita is less than 75 % of the average GDP of the EU-27; (ii) transition regions, whose GDP per capita is between 75 % and 90 % of the average GDP of the EU-27; and (iii) more developed regions, whose GDP per capita is above 90 % of the average GDP of the EU-27. With funding from the Cohesion Fund, the objective also covers those Member States with a Gross National Income (GNI) per capita below 90 % of the average GNI per capita of the EU-27.

4.2.2.2 European territorial cooperation (ETC)

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

4.2.2.3 Youth employment initiative

In order to support the European Council's Recommendation of 22 April 2013 on establishing a Youth Guarantee³⁶, which provides that young persons should receive a good-quality offer of either employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education, the ‘Youth Employment Initiative’ (YEI) has been created for those regions most affected. In these regions the YEI should support young people not in employment, education or training, to add to and reinforce the very considerable support already provided through the EU structural funds. This initiative is open to all regions (NUTS³⁷ level 2) that have youth unemployment rates for young persons aged 15 to 24 of more than 25 % in 2012 with a lower 20 % threshold for Member States where the youth unemployment rate increased by more than 30 % in 2012.

Half of the support for the initiative is financed by a specific budget line (YEI specific top-up allocation), while at least a corresponding amount should be financed from targeted investment from the ESF. The total amount of EUR 6 billion in commitment appropriations (in 2011 prices) under the YEI was frontloaded in 2014 and 2015 with implementation on the ground continuing in the following years.

The 2017 Draft Budget does not include additional commitments for the YEI. The Commission will examine the extension of the YEI in the framework of the upcoming MFF mid-term review/revision, which provides a multi-annual perspective. It will take into account the results of evaluations done by Member States at the end of 2015 and data from the Annual Implementation Reports covering all operational programmes submitted by Member States by 31 May 2016 in accordance with Article 111(1) of the CPR.

4.2.2.4 Fund for European Aid to the Most Deprived (FEAD)

The general objective of the ‘Fund for European Aid to the Most Deprived’ (FEAD) is to promote social cohesion in the Union by contributing to the achievement of the Europe 2020 strategy’s objective of reducing by at least 20 million the number of people at risk of poverty and social exclusion, whilst complementing – not overlapping with – the Structural Funds. The Fund aims to contribute to achieving the specific objective of alleviating the worst forms of poverty, by providing the most deprived persons with food and/or basic material assistance, and by funding activities targeting the social integration of the most deprived persons. The Fund complements sustainable national poverty eradication and social inclusion policies, which remain the responsibility of Member States.

³⁶ OJ C 120, 26.4.2013, p. 1.

³⁷ Nomenclature of territorial units for statistics (NUTS).

4.2.2.5 Financial contribution of the Cohesion Fund to the Connecting Europe Facility (CEF-Transport)

Under the 2014-2020 MFF an amount of EUR 11,3 billion is transferred from the Cohesion Fund to the Connecting Europe Facility (CEF-Transport) to finance the completion of transport projects – in particular cross-border projects – with high European added value. The amount transferred is used to finance projects in the core transport network or transport projects relating to horizontal priorities in the Member States eligible for financing from the Cohesion Fund under the CEF. In an initial phase, the selection of projects eligible for financing should respect the national allocations under the Cohesion Fund.

4.2.2.6 Structural Reform Support Programme (SRSP)

The Union has identified the implementation of structural reforms among its policy priorities in order to set recovery on a sustainable path, unlock growth potential, strengthen adjustment capacity and support the process of convergence. Such reforms must be well-designed, put into legislation and effectively implemented, which implies addressing structural problems in public administrations, as well as challenges in the economic and societal domains.

Accordingly, in 2015³⁸ the Commission proposed the establishment of a Structural Reform Support Programme (SRSP) to deliver support to structural reforms to Member States upon their request.

Consolidating the results of the preparatory action ‘Capacity development and institution building to support the implementation of economic reforms’³⁹ adopted in the 2016 budget, the new legal base proposes a financial envelope for the implementation of the SRSP for the period 1 January 2017 to 31 December 2020 of EUR 142,8 million. The proposal is that these resources will be provided from the unused allocation for technical assistance at the initiative of the Commission for the ESF, ERDF, and CF in heading 1b and the EAFRD in heading 2. As no additional resources are envisaged, the effect of establishing the SRSP is budgetary neutral. After the entry into force of the new legal base, Member States will continue to have the possibility of transferring technical assistance from their national allocations to the Commission, in accordance with Article 25 of the CPR.

4.2.3 Commitment appropriations for heading 1b

For 2017, total commitment appropriations for heading 1b amount to EUR 53 573,8 million. Of these, EUR 41 954,2 million are requested for the Structural Funds (ERDF and ESF), EUR 9 055,8 million for the ‘Cohesion Fund’, EUR 1 593,3 million for the ‘Connecting Europe Facility’ (CEF) and EUR 546,3 million for the ‘Fund for European Aid to the Most Deprived’. All figures for the Structural and Cohesion funds are in line with the envelopes set out in the relevant legal bases.

The breakdown in the allocation between the ERDF and the ESF within each category of region corresponds to the actual ESF share foreseen in the operational programmes adopted, following the MFF revision in 2015, with the exception of the additional allocation deriving from the article 7 MFF adjustment which was split equally between the two funds in line with the priorities to be funded. This breakdown between the funds, and even between the various categories of regions, may still be altered if Member States ask for a duly justified transfer of resources between categories of regions within the limits authorised by the Regulation. Accordingly, some transfers of commitment appropriations cannot be excluded in 2017. The Structural and Cohesion Funds continue to make full use of the resources made available for programming by the Member States within this heading. As the amount proposed for technical assistance is lower than the ceiling of 0,35 % of the total allocation of the funds, there is a small margin left under the expenditure ceiling for heading 1b in 2017 (EUR 13,2 million).

³⁸ COM(2015) 701 final.

³⁹ Total budget is EUR 3 million. Implementation will start in 2016.

4.2.4 Payment appropriations for heading 1b

The proposed level of payment appropriations of EUR 37 348,7 million is -23,5 % lower compared to the 2016 budget for heading 1b, mainly because the significant decrease in payment needs for the 2007-2013 programmes is only partially offset by the increase in payment appropriations for the new programmes. The start of implementation for the 2014-2020 programmes was slower than expected, chiefly because of the late adoption of many programmes following the reprogramming which took place in 2015 and the unforeseen delays in the process of designation of managing authorities, in the absence of which a Member State may not submit payment claims to the Commission.

Payment appropriations for the period 2014-2020 (EUR 34 505,3 million) will cover interim payments and the annual pre-financing for 2017 (including the contribution of heading 1b to the Connecting Europe Facility (CEF) and IPA/ENI programmes). For the 2007-2013 programmes, EUR 2 615,9 million are planned for the first closure payments, including a modest residual amount of around EUR 530 million needed to cover the interim payment claims expected to arrive in 2017. The remaining payment appropriations requested (amounting to EUR 227,5 million) relate to technical assistance (including the new SRSP), to innovative actions, and to pilot projects and preparatory actions.

4.2.4.1 Payments on 2014-2020 programmes

For the programmes of the 2014-2020 period, payment appropriations cover interim payments of EUR 25 288,1 million and pre-financing of EUR 8 767,3 million, which consists of the second instalment of the annual pre-financing (corresponding to 2,625 % of the main allocation). A total of EUR 34 055,4 million is foreseen for the Funds, of which EUR 27 962,0 million for the Structural Funds, EUR 5 652,0 million for the Cohesion Fund and EUR 441,4 million for the FEAD.

Interim payments are calculated on the basis of the profiles of submissions of payment claims observed in the past. The estimated payment needs also take into account that under the new Regulation only 90 % of the payment claims submitted by Member States will be reimbursed; the remaining 10 % will only be paid after the annual closure. The Commission has also taken into consideration the combined effect of other factors: the substantial reprogramming under sub-heading 1b and the 'n+3' automatic de-commitment rule applicable to all Member States. Due account has also been taken of the delays in the designation of managing authorities which are currently reflected in the slower-than-expected start-up and which were also reflected in the first Member States' forecasts for 2017, submitted in January 2016. After the designation of managing authorities for all operational programmes is notified to the Commission, a process expected to be finalised before the end of 2016, implementation is expected to pick up as Member States should then start submitting payment claims for expenditure already incurred since the start of the programming period.

For the first time, in the 2014-2020 programming period, the annual closure of the accounts and the clearing of the annual pre-financing paid the previous year will affect the budget estimates. As relatively few payment claims are expected to be submitted before the end of June 2016, at the end of the accounting year 2015-2016 the 10 % retained on the payment claims will be significantly lower than the annual pre-financing paid in 2016 (corresponding to 2 % of the main allocation). Therefore, the exercise is expected to generate recoveries which would result in substantial assigned revenue in 2017 and consequently reduce the need for fresh payment appropriations.

The amount of payment appropriations for the YEI foreseen in DB 2017 is EUR 600,0 million, which also takes into account possible recoveries.

The amount of payment appropriations for the FEAD proposed in DB 2017 is EUR 441,4 million. While 2016 is expected to be characterised by a catching-up linked to the payment of claims related to 2015 but not yet submitted pending the appointment of managing authorities for the programmes, implementation is expected to be at cruising speed in 2017, with payment appropriations below the 2016 level.

Lastly, payment appropriations of EUR 382,7 million are foreseen in DB 2017 for the contribution of the Cohesion Fund to the Connecting Europe Facility (CEF-CF). This is mainly required to cover EUR 311 million for additional pre-financing in respect of the cumulative amounts committed from 2014 to 2017 following the first CEF-CF call in 2014 of EUR 4,5 billion. The remaining payment needs relate to interim payments of EUR 67 million on multi-annual and annual calls and EUR 5 million for the agreed administrative support to INEA. No additional pre-financing is needed for the second CEF-CF call of EUR 5,7 billion as the related grants are expected to be signed by the end of 2016 and the required initial pre-financing will be paid as planned in the 2016 budget with no additional pre-financing needed in 2017.

4.2.4.2 Payments on outstanding commitments (prior to 2014)

For the programmes of the 2007-2013 period, payment appropriations for the Structural Funds amount to EUR 2 286,5 million. This represents a decrease of -88,0 % relative to the 2016 budget. The combined amount for the Structural and the Cohesion Funds is EUR 2 615,9 million. The corresponding figure for payments in the 2016 budget is EUR 21 530,0 million.

As outlined in the 'Active monitoring and forecast of budget implementation' report of March 2016, the remaining backlog of outstanding payment claims at the end of 2016 will mostly relate to suspensions and will only be a fraction of the EUR 8,2 billion backlog of the end of 2015. This is in line with the 'payment plan' agreed with the European Parliament and the Council to phase out the abnormal backlog for the 2007-2013 programmes by the end of 2016.

The payment appropriations requested in 2017 for the 2007-2013 programmes correspond to a limited residual amount of interim payment claims expected to be submitted before 31 March 2017 and the first closure payments. The 2017 needs for interim payments are based on 95 % capping of the forecasts which Member States submitted in January 2016. The closure payments are estimated following a case-by-case analysis of those operational programmes which show the most advanced payment implementation and which are not affected by long-term suspensions and interruptions. No closure decommitments are expected in 2017 as the closure of problematic operational programmes is expected to take longer.

Significant closure payments are expected to be made up to and including 2019.

4.3 Heading 2 — Sustainable growth: natural resources

4.3.1 Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	42 220,3	42 212,0	42 937,6	42 889,0	72,9%	77,6%	717,2	676,9	1,7%	1,6%
— European Agricultural Fund for Rural Development (EAFRD)	18 676,3	11 746,4	14 365,5	11 208,5	24,4%	20,3%	-4 310,8	-537,9	-23,1%	-4,6%
— European Maritime and Fisheries Fund (EMFF)	896,7	570,6	911,7	577,4	1,5%	1,0%	15,0	6,7	1,7%	1,2%
— Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and to other international organisations	139,5	139,0	138,4	133,4	0,2%	0,2%	-1,1	-5,6	-0,8%	-4,0%
— Environment and climate action (LIFE)	462,8	355,3	493,7	363,7	0,8%	0,7%	30,9	8,4	6,7%	2,4%
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	0,3	0,8	p.m.	p.m.	0,0%	0,0%	-0,3	-0,8	-100,0%	-100,0%
— Other actions and measures	30,0	30,0	p.m.	p.m.	0,0%	0,0%	-30,0	-30,0	-100,0%	-100,0%
— Pilot projects and preparatory actions	9,3	17,7	p.m.	9,6	0,0%	0,0%	-9,3	-8,1	-100,0%	-45,9%
— Decentralised agencies	49,0	49,0	54,8	54,8	0,1%	0,1%	5,8	5,8	11,8%	11,8%
Total	62 484,2	55 120,8	58 901,7	55 236,2	100,0%	100,0%	-3 582,5	115,4	-5,7%	0,2%
Ceiling	64 262,0		60 191,0							
Of which offset against Contingency Margin	0,0		-650,0							
Margin	1 777,8		639,3							
Of which EAGF	42 220,3	42 212,0	42 937,6	42 889,0	72,9%	77,6%	717,2	676,9	1,7%	1,6%
EAGF Sub-ceiling (after technical adjustment of the MFF 2014-2020) ⁽²⁾	43 951,0		44 146,0							
Rounding difference excluded for margin calculation	0,8		0,3							
Net balance available for EAGF expenditure ⁽²⁾	43 950,2		44 145,7							

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

(2) Net balance available for EAGF expenditure as fixed in the Annex of Commission Implementing Regulation (EU) No 367/2014 as last modified by Regulation (EU) 2016/257 of 24 February 2016.

4.3.2 Priorities for 2017

The general objectives of the ‘common agricultural policy’ (CAP) for the period 2014-2020 are: (i) the promotion of viable food production, (ii) the sustainable management of natural resources and (iii) the balanced territorial development of rural areas across the EU. The two ‘pillars’ of the CAP contribute to these objectives by financing specific measures in each: Pillar 1, which is financed by the European Agriculture Guarantee Fund (EAGF), relates to market measures and direct payments, whereas Pillar 2, which is financed by the European Agricultural Fund for Rural Development (EAFRD), concerns rural development. Both pillars are interlinked, thus offering a holistic and integrated approach to support the agricultural policy.

The EAGF aims to improve the competitiveness of the agricultural sector and enhance its value share in the food chain, fostering market stability as well as better reflecting consumer expectations. Direct payments support and stabilise the incomes of farmers and contribute to the provision of environmental public goods, while market measures allow for a safety-net in times of market disturbances or crisis, maintaining market stability and meeting consumer expectations. In addition, cross-compliance ensures minimum standards are applied in the field of the environment, food safety, animal and plant health as well as animal welfare throughout the EU. The 2013 CAP reform adapted the legal texts and budgetary ceilings to the 2014-2020 multiannual financial framework (MFF). While the new Common Market Organisation (CMO) Regulation presents rather gradual changes starting from the year 2014, 2017 is the second year of the new direct payment schemes.

The rural development policy financed by the EAFRD integrates the major policy objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. It is focused on a limited number of core priorities to ensure sustainable development of rural areas. The EAFRD is one of the five European Structural and Investment (ESI) Funds covered by the Common Strategic Framework. Following the adoption of the Partnership Agreements and all operational programmes, the priority is now to deploy them fully and reach cruising speed for annual and investment measures.

For the European Maritime and Fisheries Fund (EMFF), 2017 is expected to be the first year of the new programming period when both pre-financing and interim payments for all measures under shared management will be made.

As regards LIFE, 2017 will focus on the finalisation of the implementation of the 2016 call for proposals, the launch of the 2017 call for proposals, as well as on the continued implementation of the financial instruments under the new LIFE programme 2014-2020.

The level of commitment appropriations requested for heading 2 (EUR 58 901,7 million) represents a decrease compared to the level of the 2016 budget (-5,7 %), leaving a margin of EUR 1 289,3 million under the ceiling, of which an amount of EUR 650,0 million is offset for the use of the Contingency Margin. However as already explained, this decrease is somewhat artificial and is the result of commitments of 2014 being reprogrammed to 2016 for rural development

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

EAGF net balance, financial discipline and crises reserve

The net balance available for the EAGF, after the net transfer to Rural Development amounts to EUR 44 145,7 million⁴⁰.

Taking account of an estimated amount of EUR 1 880,0 million for assigned revenue, the appropriations requested in the 2017 draft budget stand at EUR 42 937,6 million, which is well below the EAGF net balance. Therefore, the Commission proposal to reduce the level of direct payments through the financial discipline mechanism adopted in March 2016⁴¹ is limited to the establishment of the ‘Reserve for crises in the agricultural sector’⁴² for 2017, for an amount of EUR 450,5 million to be entered into a separate budget article in budget chapter 05 03 (‘Direct payments’). The financial discipline adjustment is applied only to amounts in excess of EUR 2 000 and not in Member States that are still in the process of phasing-in direct payments⁴³. The proposed rate of financial discipline is 1,366744 %⁴⁴.

The appropriations for the crisis reserve are intended to provide additional support to finance measures necessary to address major crises affecting agricultural production or distribution. Unused appropriations of the crisis reserve in the 2016 budget (EUR 441,6 million) will be carried over to the 2017 budget and used for reimbursement to the beneficiaries of direct payments subject to financial discipline in 2017.

Assigned revenue

In accordance with the Financial Regulation⁴⁵ and the Regulation on the financing of the CAP⁴⁶, certain operations (mainly conformity and accounting clearance corrections as well as irregularities) generate revenues assigned to the EAGF that are used to cover part of the needs of specific lines as required by the budget implementation. Because of this assigned revenue, a distinction has to be made between requested budget appropriations and estimated expenditure (‘needs’).

Appropriations for the 2017 draft budget are lower than the estimated expenditure because an amount of EUR 1 880,0 million in revenue is assigned to the EAGF. The assigned revenue for 2017 is attributed to budget chapter 05 02 for the Operational Funds for Producer Organisations (EUR 400,0 million on budget item 05 02 08 03) and to budget chapter 05 03 for the Basic Payment Scheme – BPS (EUR 1 480,0 million on budget item 05 03 01 10)⁴⁷.

⁴⁰ Amounts transferred under Article 7(2) of Regulation (EU) No 1307/2013 have slightly changed following a modification for UK (Wales) due to a Court case related to the implementation of the EAGF direct payment schemes and have been modified by Commission Implementing Regulation (EU) 2016/257 of 24 February 2016. This modification also had a small impact on the EAGF net balance available for 2016.

⁴¹ The detailed rules on financial discipline are laid down in Article 26 of Regulation (EC) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy.

⁴² See Article 25 of Regulation (EU) No 1306/2013.

⁴³ As of 2017 only Croatia.

⁴⁴ For more details see the Commission Proposal for a Regulation of the European Parliament and of the Council fixing the adjustment rate provided for in Regulation (EU) No 1306/2013 for direct payments in respect of calendar year 2016 (COM(2016)159 final).

⁴⁵ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002.

⁴⁶ Regulation (EU) No 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy, in particular Article 43 thereof.

⁴⁷ In previous years, assigned revenue in Chapter 05 03 was assigned to the Single Payment Scheme – SPS (05 03 01 01). However, this scheme is now replaced by a new system of direct payment schemes.

The difference in assigned revenue compared to the 2016 budget (EUR 2 980,0 million) is substantial (EUR - 1 100,0 million). The main reason for this much lower amount is the absence of revenue from the milk super levy after the end of the milk quota system in 2015. Assigned revenue from clearance of accounts decisions (EUR 1 275,0 million in the 2017 draft budget) is expected to be somewhat higher than in the 2016 budget (EUR 1 125,0 million). Furthermore, there is an additional amount of EUR 450,0 million resulting from such clearance of accounts decisions already taken, which is estimated to become available during 2016 and will be carried over to 2017. These estimates take into account the impact of several Commission Decisions in 2014, 2015 and 2016 related to the EAGF clearance of accounts, which authorise some Member States to pay financial corrections after deferrals and/or in several annual instalments. The other source of assigned revenue in the 2017 draft budget is the EAGF irregularities (EUR 155,0 million), the same amount as in the 2016 budget.

EAGF needs and budget appropriations

Overall, as illustrated in the table below, EAGF expenditure (referred to as "needs") for 2017 is estimated at EUR 44 817,6 million, which is slightly lower than last year. Taking into account the significantly lower amount of assigned revenue expected to be available in 2017, the Commission requests EUR 42 937,6 million in commitment appropriations to finance the EAGF needs for 2017 which represents an increase compared to budget 2016.

Table: Overview of EAGF needs and budget requests

(in million EUR, rounded figures at current prices)

	2016 budget			DB 2017 before Financial Discipline			DB 2017 after Financial Discipline			Difference		
	(1)			(2)			(3)			(3 – 1)		
	Needs	Assigned revenue	Budget	Needs	Assigned revenue	Budget	Needs	Assigned revenue	Budget	Needs	Assigned revenue	Budget
	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)
Market support	3 273,0	600,0	2 673,0	2 692,4	400,0	2 292,4	2 692,4	400,0	2 292,4	-580,6	-200,0	-380,6
Decoupled direct payments	36 649,2	2 380,0	34 269,2	37 190,7	1 480,0	35 710,7	36 795,7	1 480,0	35 315,7	146,5	-900,0	1 046,5
Other direct payments	4 734,9	0,0	4 734,9	4 803,9	0,0	4 803,9	4 748,4	0,0	4 748,4	13,5	0,0	13,5
Reserve for crises in the agricultural sector	441,6	0,0	441,6	0,0	0,0	0,0	450,5	0,0	450,5	8,9	0,0	8,9
Total direct payments	41 825,7	2 380,0	39 445,7	41 994,6	1 480,0	40 514,6	41 994,6	1 480,0	40 514,6	168,9	-900,0	1 068,9
Other EAGF expenditure	101,6	0,0	101,6	130,6	0,0	130,6	130,6	0,0	130,6	28,9	0,0	28,9
TOTAL EAGF	45 200,3	2 980,0	42 220,3	44 817,6	1 880,0	42 937,6	44 817,6	1 880,0	42 937,6	-382,8	-1 100,0	717,2

Intervention in agricultural markets

The 2017 draft budget shows a decrease in needs for interventions in the agricultural markets (budget chapter 05 02) compared to the 2016 budget, under which EUR 681,5 million⁴⁸ of exceptional support measures was included. These measures were related to the Russian ban on imports from EU of certain agricultural products and the supply-demand imbalance in the livestock sectors. It is assumed that their financial impact, apart from promotion activities, private storage aid and public intervention for certain dairy products and the prolongation of exceptional support measures for fruit and vegetables will not extend beyond 2016 and that, for the time being, no further measures with financial impact are needed under the 2017 draft budget. Therefore, financial needs for market interventions under the EAGF are lower than last year and remain rather limited, which reflects the shift in favour of direct income support as main principle agreed in all CAP reforms since 1992.

However, as shown in the table below, budget appropriations for interventions in agricultural markets decrease to a more limited extent than the needs, by EUR -380,6 million, since a lower amount of assigned revenue is estimated to become available for chapter 05 02 in 2017 compared to 2016.

⁴⁸ This figure excludes a further EUR 30 million outside the EAGF for the distribution of dairy products as urgent response to humanitarian crisis (budget line 05 02 12 09).

(in million EUR, rounded figures at current prices)

Interventions in agricultural markets	Budget 2016	Draft Budget (DB) 2017	Difference 2017 – 2016
Needs (a)	3 273,0	2 692,4	-580,6
Assigned revenue (estimated) available (b)	600,0	400,0	-200,0
Appropriations requested (c) = (a) - (b)	2 673,0	2 292,4	-380,6

Direct payments

The budget year 2016 was the first year for the new schemes of direct payments introduced by Regulation (EU) No 1307/2013⁴⁹. While three existing direct payment schemes are continued (the Single Area Payment Scheme (SAPS), the redistributive payment and the specific payment for cotton), the three new compulsory schemes are: the Basic Payment Scheme (BPS), the 'greening payment', and the payment for young farmers. Furthermore, Member States can also allocate part of their national ceilings for direct payments to three new voluntary schemes: payment for areas with natural constraints, voluntary coupled support and small farmers' scheme. The flexibility offered to Member States to implement the new direct payment schemes means that the share of funding allocated to some of the different schemes varies significantly throughout the EU.

The needs estimated for direct payments in the 2017 draft budget, including the amount to establish the agricultural crisis reserve, amount to EUR 41 994,6 million, an increase of EUR 168,9 million compared to budget 2016). These higher needs are the net effect of several factors affecting the ceilings for direct payments, in particular the impact of the continued phasing-in of direct payments in Bulgaria, Romania and Croatia, which is partly offset by a net decrease as a result of the transfers between the two CAP pillars. Direct payments in Bulgaria and Romania will be fully phased-in as of 2017. Taking into account the assigned revenue expected available for direct payments in 2017, budget appropriations amounting to EUR 40 514,6 million are required to cover the needs of budget chapter 05 03.

(in million EUR, rounded figures at current prices)

Direct payments	Budget 2016	Draft Budget (DB) 2017	Difference 2017 – 2016
<i>Including the 'Reserve for crises in the agricultural sector'</i>			
Needs (a)	41 825,7	41 994,6	168,9
Assigned revenue (estimated) available (b)	2 380,0	1 480,0	-900,0
Appropriations requested (c) = (a) - (b)	39 445,7	40 514,6	1 068,9

⁴⁹ The previously applicable Regulation (EU) No 73/2009 has been repealed, and appropriations in the draft budget 2017 for the schemes that are not continued under the new Regulation (EU) No 1307/2013 only cover the needs for residual amounts.

The appropriations for direct payments increase by EUR 1 068,9 million compared to 2016, which is the result of higher needs (EUR 168,9 million) and a lower estimate for available assigned revenue (EUR 900 million).

(in million EUR, rounded figures at current prices)

	2016 budget			DB 2017 before Financial Discipline			DB 2017 after Financial Discipline			Difference		
	(1)			(2)			(3)			(3 – 1)		
	Needs	Assigned revenue	Budget	Needs	Assigned revenue	Budget	Needs	Assigned revenue	Budget	Needs	Assigned revenue	Budget
	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)
Decoupled direct payments, of which	36 649,2	2 380,0	34 269,2	37 190,7	1 480,0	35 710,7	36 795,7	1 480,0	35 315,7	146,5	-900,0	1 046,5
05 03 01 02 SAPS (Single Area Payment Scheme)	4 237,0	0,0	4 237,0	4 547,2	0,0	4 547,2	4 504,0	0,0	4 504,0	267,0	0,0	267,0
05 03 01 07 Redistributive payment	1 251,0	0,0	1 251,0	1 663,2	0,0	1 663,2	1 646,0	0,0	1 646,0	395,0	0,0	395,0
05 03 01 10 BPS (Basic Payment Scheme)	18 307,0	2 380,0	15 927,0	18 069,4	1 480,0	16 589,4	17 871,0	1 480,0	16 391,0	-436,0	-900,0	464,0
05 03 01 11 'Greening payment'	12 239,0	0,0	12 239,0	12 341,8	0,0	12 341,8	12 211,0	0,0	12 211,0	-28,0	0,0	-28,0
Other direct payments, of which	4 734,9	0,0	4 734,9	4 803,9	0,0	4 803,9	4 748,4	0,0	4 748,4	13,5	0,0	13,5
05 03 02 60 Voluntary coupled support	4 046,0	0,0	4 046,0	4 110,1	0,0	4 110,1	4 063,0	0,0	4 063,0	17,0	0,0	17,0
Reserve for crises in the agricultural sector	441,6	0,0	441,6	0,0	0,0	0,0	450,5	0,0	450,5	8,9	0,0	8,9
Total direct payments	41 825,7	2 380,0	39 445,7	41 994,6	1 480,0	40 514,6	41 994,6	1 480,0	40 514,6	168,9	-900,0	1 068,9

Within the decoupled direct payments, the needs after financial discipline for the 'Basic payment scheme' (BPS) are estimated at EUR 17 871,0 million. This is EUR -436,0 million below the needs in the 2016 budget, mainly driven by a larger allocation to the redistributive payment scheme (budget item 05 03 01 07) following the most recent notifications from Member States. The needs after financial discipline for the 'SAPS' are estimated at EUR 4 504,0 million (EUR 267,0 million more compared to the budget 2016). The increase in needs results from the last stage of the phasing-in of direct payments in Bulgaria and Romania. The needs for the budget line 'Payment for agricultural practices beneficial for the climate and the environment', or 'greening payment', which is compulsory at the level of 30 % of the national envelopes, are estimated at EUR 12 211,0 million after financial discipline. In 2017, nine Member States will apply the 'redistributive payment scheme', for which the needs increase by EUR 395,0 million to reach EUR 1 646,0 million after financial discipline. The needs for the other two new decoupled schemes, i.e. the payment for young farmers and the payment for areas with natural constraints, are estimated at EUR 507,0 million and EUR 3,0 million respectively.

The appropriations for other direct payments increase by EUR 13,5 million compared to 2016. The increase is mainly due to an increase in voluntary coupled support, which is applied by all Member States except one. The needs for this measure are estimated at EUR 4 063,0 million after financial discipline. The reform of the direct payment system has also introduced the small farmers' scheme, which is 'cross-financed' from allocations available for the other schemes. However, as was the case for the 2016 draft budget, at this stage the appropriations needed for the small farmers' scheme cannot be determined as the actual uptake of the scheme is still not known.

4.3.4 Transfers between the EAGF and the EAFRD

For the 2017 draft budget, the amount additionally available to the EAFRD is EUR 717,3 million. These additional EAFRD appropriations are a net result of, on the one hand, transfers from the EAGF to the EAFRD of EUR 1 289,8 million, which includes the cotton national restructuring programme transferred to the new generation of rural development programmes in Greece (EUR 4,0 million)⁵⁰; the reduction of direct payments exceeding a certain threshold for 17 Member States applying such a reduction (EUR 111,0 million)⁵¹; as well as the new flexibility between the two CAP pillars (a total of EUR 1 174,7 million applied by 11 Member States,)⁵². On the other hand, a transfer from the EAFRD to the EAGF amounting to EUR 572,4 million results from the decision of Poland, Croatia, Malta, Slovakia and Hungary to reinforce direct payments to farmers under the first pillar of the CAP⁵³.

4.3.5 European Agricultural Fund for Rural Development (EAFRD)

(in million EUR, rounded figures at current prices)

Rural development	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
EAFRD 2014-2020	18 650,6	8 487,0	14 337,0	9 902,0	99,8%	88,3%	-4 313,5	1 415,0	-23,1%	16,7%
Support expenditure ⁵⁴	25,7	24,4	28,5	26,5	0,2%	0,2%	2,8	2,1	10,7%	8,5%
Completion (prior to 2014)	p.m.	3 235,0	p.m.	1 280,0	0,0%	11,4%	p.m.	-1 955,0	0,0%	-60,4%
Total	18 676,3	11 746,4	14 365,5	11 208,5	100,0%	100,0%	-4 310,8	-537,9	-23,1%	-4,6%

Support provided through the EAFRD makes a vital contribution to the sustainability of the rural environment and helps to maintain a balance between urban and rural areas in a competitive and knowledge-based economy.

As in the other ESI funds, in order to introduce a clearer link with performance, targets have to be set for all Rural Development programmes for the following six priorities: (i) fostering knowledge transfer and innovation; (ii) enhancing competitiveness; (iii) promoting food chain organisation, including processing and marketing of agricultural products; (iv) restoring, preserving and enhancing ecosystems; (v) promoting resource efficiency; and (vi) promoting social inclusion, poverty reduction and economic development in rural areas. At least 30 % of the total EAFRD contribution will be reserved for certain measures related to environmental and climate change, including Natura 2000.

The EUR -4 310,8 million apparent decrease in commitment appropriations compared to budget 2016 is due to Article 19 reprogramming of the MFF 2014-2020 where an amount EUR 8 705,3 million was transferred from 2014 commitments and added to 2015 and 2016 commitments. Specifically, the addition of EUR 4 352,7 million in 2016 ‘distorts’ the direct comparison between the 2017 draft budget and budget 2016. In reality, 2017 commitments are slightly above the 2016 levels if this reprogramming impact is excluded, reflecting the initially-approved yearly envelope amounts for the EAFRD after transfers between pillars.

⁵⁰ Article 66 of Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

⁵¹ Article 7(2) and Article 11 of Regulation (EU) No 1307/2013.

⁵² Article 14(1) of Regulation (EU) No 1307/2013.

⁵³ Article 14(2) of Regulation (EU) No 1307/2013.

⁵⁴ Starting from 2017 draft budget, support expenditure includes an amount of EUR 5,1 million in commitment appropriations and EUR 2,6 million in payment appropriations transferred to the Structural Reform Support Programme’s operational technical assistance from the EAFRD overall technical assistance ceiling.

4.3.6 Maritime Affairs and Fisheries

(in million EUR, rounded figures at current prices)

	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— European Maritime and Fisheries Fund (EMFF)	890,1	432,0	905,1	560,7	86,2%	78,9%	15,0	128,7	1,7%	29,8%
— Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and to other international organisations	139,5	139,0	138,4	133,4	13,2%	18,8%	-1,1	-5,6	-0,8%	-4,0%
— Support expenditure	6,6	6,6	6,6	6,6	0,6%	0,9%	0,0	0,0	0,0%	0,0%
— Completion (prior to 2014)	0,0	132,0	0,0	10,0	0,0%	1,4%	0,0	-122,0	0,0%	-92,4%
Total	1 036,2	709,6	1 050,1	710,8	100,0%	100,0%	13,9	1,1	1,3%	0,2%

European Maritime and Fisheries Fund (EMFF)

The ‘European Maritime and Fisheries Fund’ (EMFF) integrates all measures in the field of maritime affairs and fisheries, except ‘Sustainable Fisheries Partnership Agreements’ (SFPAs) and compulsory contributions to ‘Regional Fisheries Management Organisations’ (RFMOs) as well as to other international organisations, which have their own specific legal basis.

The EMFF supports the objectives of the reformed ‘Common Fisheries Policy’ (CFP) and the ‘Integrated Maritime Policy’ (IMP). The EMFF's objectives are: (i) promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture; (ii) fostering the implementation of the CFP; (iii) promoting a balanced and inclusive territorial development of fisheries and aquaculture areas; and (iv) fostering the development and implementation of the IMP in a complementary manner to Cohesion policy and to the CFP.

The EMFF covers actions under shared management and under direct management. The shared management part is covered by the ‘Common Provisions Regulation’ laying down the common rules for the five European ESI Funds. In this fourth year of the new programming period, the focus under shared management will be on speeding-up the implementation of the programmes for the period 2014-2020, following the adoption of all operational programmes in 2014 and 2015.

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

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

The EU promotes better international fisheries governance and the sustainable management of international fish stocks, and it defends EU economic and social interests in several international organisations. This includes various RFMOs, of which the EU is a member, as well as bodies set up by the ‘United Nations Convention on the Law of the Sea’ (UNCLOS), namely the ‘International Seabed Authority’ and the ‘International Tribunal for the Law of the Sea’. Compulsory contributions deriving from EU membership of such international bodies and organisations are paid on the basis of various Council decisions and regulations⁵⁵.

4.3.7 Environment and climate action

(in million EUR, rounded figures at current prices)

	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Environment and climate action (LIFE)	453,4	191,0	483,6	248,0	97,9%	68,2%	30,1	57,0	6,6%	29,8%
— Environmental policy at Union and international level	341,7	138,0	364,4	174,0	73,8%	47,8%	22,6	36,0	6,6%	26,1%
— Climate action at Union and international level	111,7	53,0	119,2	74,0	24,1%	20,3%	7,5	21,0	6,7%	39,6%
— Support expenditure	9,4	9,4	10,2	10,2	2,1%	2,8%	0,8	0,8	8,7%	8,7%
— Completion (prior to 2014)	0,0	154,9	0,0	105,5	0,0%	29,0%	0,0	-49,4	0,0%	-31,9%
Total	462,8	355,3	493,7	363,7	100,0%	100,0%	30,9	8,4	6,7%	2,4%

The MFF 2014-2020 addresses climate action and biodiversity as integral parts of all the main instruments and interventions. This so-called ‘mainstreaming’ approach implies that environmental and climate objectives are reflected in the main instruments to ensure that they contribute to building a low-carbon, resource efficient and climate resilient economy that will enhance Europe's competitiveness, create more and greener jobs, strengthen energy security, and bring health benefits. The LIFE programme enables the Union to combine the mainstreaming approach with a specific instrument that increases the coherence and the added-value of the Union intervention on environment and climate action.

At least 81 % of the appropriations for the LIFE programme will be allocated to projects supported by action grants or, where appropriate, by financial instruments.

Environment

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

Climate action

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

⁵⁵ Voluntary contributions to international organisations and preparatory work for new international fisheries organisations are financed from a separate budget item (11 06 62 03) that is part of the EMFF.

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

4.3.8 Payment appropriations for heading 2

Payment appropriations for heading 2 slightly increase by EUR 115,4 million (0,2 %) compared to the 2016 budget. The overall level of payment appropriations requested for heading 2 results on the one hand from mostly non-differentiated expenditure under the EAGF, as described in section 4.3.3 above, and on the other hand from payment appropriations for differentiated expenditure, notably for the 'European Agricultural Fund for Rural Development' (EAFRD), the 'European Maritime and Fisheries Fund' (EMFF) and LIFE.

4.3.8.1 Payments on 2014-2020 programmes

All payment appropriations in the 2017 draft budget⁵⁶ for the EAFRD relate to interim payments for both annual and investment measures. No additional initial or annual pre-financing is foreseen by the EAFRD Regulation as is the case for the other ESI Funds. Under the EMFF, payment appropriations for the new programmes are mainly for interim payments but also include the annual pre-financing representing 2,625 % of the main allocation.

As regards payment appropriations for the interim payments, for rural development they mainly cover reimbursements for measures that have a multi-annual character but involving systematic annual payments, as well as reimbursements on investment measures. In the case of the EMFF, interim payments are calculated on the basis of the profiles of submissions of payment claims observed in the past. The estimated payment needs also take into account that only 90 % of the payment claims submitted by Member States will be reimbursed under the new Regulation: the remaining 10 % will only be paid after the annual closure. For both Funds, as far as investment measures are concerned, the delays in the adoption of the programmes and the shift to an 'n+3' deadline for the implementation of the commitments, instead of 'n+2' for the previous period, are still having an effect. For the EMFF, the clearing in 2017 of the annual pre-financing paid in 2016 is expected to generate assigned revenue which was factored in, consequently reducing the request for fresh payment appropriations. Excluding technical assistance, payment appropriations for new programmes amount to EUR 9 902,0 million for rural development and EUR 480,0 million for the EMFF. A further EUR 80,7 million are added for the EMFF for measures under direct management by the Commission. Furthermore, payment appropriations amounting to EUR 133,4 million, including appropriations placed in the 'Reserve', are requested for the Sustainable Fisheries Partnerships Agreements (SFPAs), Regional Fisheries Management Organisations (RFMOs) and other International Fisheries Organisations.

For LIFE, payment appropriations amounting to EUR 248,0 million are planned for the 2014-2020 programmes. They mainly relate to the pre-financing for projects from the third call for proposals for this programming period (to be launched in 2016), the first interim (second pre-financing) payments for projects financed under the first call for proposals from 2014 and some disbursement to financial instruments.

⁵⁶ The figures mentioned in this section are without support expenditure (non-operational and operational technical assistance) and contributions to agencies.

4.3.8.2 Payments on outstanding commitments (prior to 2014)

Around 9 % of the payment appropriations for differentiated expenditure in heading 2 in the 2017 draft budget are requested for payments on outstanding commitments prior to 2014. Out of an overall amount of around EUR 1 395,5 million, the most important part is for rural development (EUR 1 280,0 million) for which a large number of operational programmes are expected to be closed in 2017. The remainder relates to measures financed under the previous European Fisheries Fund (EFF) (EUR 10,0 million), which will be used for some closure payments under shared management (most of the closures of the old programmes are expected in later years), as well as for LIFE+ (EUR 105,5 million). The payment needs in the 2017 draft budget related to the previous MFF period have substantially dropped compared to the budget 2016, as programmes under the EAFRD and the EFF are heading towards the closure phase with no more interim payments expected. Regarding the LIFE+ programme, the appropriations will be mainly used for closure payments for projects which started before 2013.

4.4 Heading 3 — Security and citizenship

4.4.1 Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Asylum, Migration and Integration Fund	1 790,3	1 049,1	1 621,6	1 183,4	38,0%	31,3%	-168,7	134,4	-9,4%	12,8%
— Internal Security Fund	645,5	395,0	738,6	747,7	17,3%	19,8%	93,0	352,7	14,4%	89,3%
— IT systems	19,3	29,8	19,7	16,9	0,5%	0,4%	0,4	-12,9	2,0%	-43,2%
— Justice	51,5	44,6	53,8	41,5	1,3%	1,1%	2,4	-3,1	4,6%	-7,0%
— Rights, Equality and Citizenship	60,0	51,7	62,6	46,8	1,5%	1,2%	2,7	-4,9	4,4%	-9,5%
— Union Civil protection Mechanism	30,6	27,8	31,0	30,9	0,7%	0,8%	0,5	3,2	1,5%	11,4%
— Europe for Citizens	25,3	23,8	26,4	26,4	0,6%	0,7%	1,1	2,6	4,3%	10,7%
— Food and feed	253,0	241,9	256,2	234,5	6,0%	6,2%	3,2	-7,4	1,3%	-3,1%
— Health	62,2	70,2	64,5	57,7	1,5%	1,5%	2,4	-12,5	3,8%	-17,8%
— Consumer	25,9	21,0	26,9	20,7	0,6%	0,5%	1,0	-0,3	4,0%	-1,2%
— Creative Europe	191,8	196,0	206,9	176,1	4,8%	4,7%	15,1	-19,9	7,9%	-10,2%
— Instrument for emergency support within the Union	100,0	80,2	200,0	219,0	4,7%	5,8%	100,0	138,8	100,0%	173,1%
— Other actions and programmes					0,0%	0,0%				
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	99,3	88,4	97,9	99,3	2,3%	2,6%	-1,4	10,9	-1,4%	12,3%
— Of which ‘Communication actions’	71,1	64,1	76,3	73,8	1,8%	2,0%	5,2	9,7	7,3%	15,1%
— Pilot projects and preparatory actions	11,1	16,8	p.m.	14,2	0,0%	0,4%	-11,1	-2,6	-100,0%	-15,4%
— Decentralised agencies	686,2	686,1	866,1	866,8	20,3%	22,9%	179,9	180,7	26,2%	26,3%
Total	4 052,0	3 022,3	4 272,4	3 781,9	100%	100%	220,4	759,6	5,4%	25,1%
<i>Of which under Flexibility Instrument</i>	<i>1 506,0</i>		<i>530,0</i>							
<i>Of which under Contingency Margin</i>	<i>0,0</i>		<i>1 164,4</i>							
<i>Ceiling</i>	<i>2 546,0</i>		<i>2 578,0</i>							
<i>Margin</i>	<i>0,0</i>		<i>0,0</i>							

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

4.4.2 Priorities for 2017: addressing the migration and security crises

Europe is part of a globalised and interconnected world in which international mobility is high. Freedom and security are both fundamental rights, as well as interdependent objectives in constantly changing societies. Many of today's security concerns are sparked by new conflicts and upheavals in the EU's immediate neighbourhood, the rapid development of new technologies, and changing forms of radicalisation, violence and terrorism. The recent and tragic attacks in Paris and Brussels demonstrate that security concerns are becoming more varied and more international, as well as increasingly cross-border and cross-sectoral in nature. The challenge goes beyond the capacity of any individual Member State to respond.

The European Agendas on Security and on Migration have set the direction for the development and implementation of EU policy to address the parallel challenges of migration management and the fight against terrorism and organised crime. The EU budget will continue to provide support to Member States to stem disorderly irregular migration flows, protect EU external borders, and safeguard the integrity of the Schengen area. The Commission estimates that a total of EUR 3,2 billion will be required in 2017 under heading 3 to address the challenges of the migration, refugee and security crises. Measures taken or being taken in the field of migration include: the revision of the Dublin Regulation, so that Europe can deal better with a high number of arrivals and ensure a fair sharing of responsibility; the need to integrate the huge numbers who arrived in 2015-2016 and the effective return of those not entitled to international protection; continued emergency assistance measures, and extending the mandate of EASO to play a new policy-implementing role as well as a strengthened operational role as the new EU Agency for Asylum. Measures to deliver on the European Agenda on Security, as part of the fight against terrorism and cybercrime, are set out in the Commission communication on Stronger and Smarter Information Systems for Borders and Security.

The Commission has launched a series of proposals to enable existing information systems (such as the Visa Information System (VIS), the Schengen Information System (SIS) and Eurodac) and future information systems (Entry-Exit System, Passenger Name Records) to enhance both external border management and internal security in the EU. This is complementary to the creation of a European Border and Coast Guard and the improvement of crisis prevention and intervention at the external borders.

4.4.3 Emergency support instrument

The massive influx of refugees and migrants into Europe has created an exceptional situation where large numbers of people require urgent humanitarian assistance, going beyond the organisational capacity of one or several Member States. A new instrument has been created⁵⁷ that allows the Union to provide financial support, for instance through partner organisations capable of rapidly implementing emergency actions in support of those Member States that are most affected.

The Commission estimates that EUR 200,0 million is required in 2017, in order to address humanitarian needs arising from the migration and refugee crisis.

4.4.4 Asylum, Migration and Integration Fund (AMIF)

(in million EUR, rounded figures at current prices)

AMIF by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Strengthening and developing the common European asylum system and enhancing solidarity and responsibility-sharing between the Member States	1 473,5	704,9	952,9	740,2	58,8%	62,5%	-520,6	35,3	-35,3%	5,0%
— Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies	314,5	216,9	666,2	285,8	41,1%	24,1%	351,7	68,9	111,8%	31,8%
— Support expenditure	2,3	2,3	2,5	2,5	0,2%	0,2%	0,2	0,2	7,5%	7,5%
— Completion (prior to 2014)	p.m.	125,0	p.m.	155,0	0,0%	13,1%		30,0	0,0%	24,0%
Total	1 790,3	1 049,1	1 621,6	1 183,4	100,0%	100,0%	-168,7	134,4	-9,4%	12,8%

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

⁵⁷ OJ L 70, 16.3.2016, p.1.

The ‘Asylum, Migration and Integration Fund’ (AMIF) contributes to an effective management of migration flows and to the implementation, strengthening and development of the common policy on asylum, subsidiary protection and temporary protection and the common immigration policy. Some Member States bear a heavy burden due to their specific geographic or economic situation. Therefore, the principles of solidarity and the fair sharing of responsibilities are at the heart of the common policies on asylum and immigration.

The EU support under this Fund is mostly allocated in shared management with Member States on the basis of multiannual national programmes. In addition to the initial amounts, reinforcements can be allocated for various purposes. The Fund may also finance directly managed transnational actions within the Union or actions of particular interest to the Union. The directly managed resources are also used to support the ‘European Migration Network’.

The pressure which Member States are experiencing in their migration and asylum systems and at their borders is expected to remain high in 2017. Thus the 2017 budget proposal for AMIF foresees additional means in the following areas: (1) supplementing Member States' resources for integration activities of third-country nationals arriving in the EU; (2) providing appropriate financial support for return operations; (3) continuing an increased level of funding for emergency assistance; (4) facilitating readmission to third countries; (5) in the framework of the reform of the Dublin Regulation, investing in Member States' reception capacities, relocating asylum applicants across the EU and providing for their accommodation and other basic needs; (6) providing appropriate resources for the Voluntary Humanitarian Admission Scheme with Turkey.

4.4.5 Internal Security Fund (ISF)

(in million EUR, rounded figures at current prices)

ISF by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Support of border management and a common visa policy to facilitate legitimate travel	487,7	214,4	403,7	364,3	54,7%	48,7%	-84,0	149,8	-17,2%	69,9%
— Prevention and fight against cross-border organised crime and better management of security- related risks and crisis	155,6	78,7	292,4	162,9	39,6%	21,8%	136,8	84,1	88,0%	106,9%
— Support expenditure	2,3	2,3	2,5	2,5	0,3%	0,3%	0,2	0,2	7,5%	7,5%
— Completion (prior to 2014)	p.m.	99,5	p.m.	190,0	0,0%	25,4%		90,5	0,0%	91,0%
Total	645,5	395,0	738,6	747,7	100,0%	100,0%	93,0	352,7	14,4%	89,3%

The objective of the ‘Internal Security Fund’ (ISF) is to contribute to ensuring a high level of security in the Union. It provides for financial support for police cooperation, preventing and combating crime, and crisis management (‘ISF Police’ component) as well as for measures to achieve a uniform and high-level of control of the external borders of the Union, to harmonise border management measures within the Union and to share information among EU states and between EU states and Frontex (‘ISF External borders and Visa’ component).

The EU support under this Fund is mainly allocated in shared management with Member States on the basis of multiannual national programmes. This includes the necessary support to the national investments for the achievement of the objectives laid down in the ‘European Borders Surveillance System’ (EUROSUR) Regulation. Resources can be granted for earmarked specific actions, including support to the Special Transit Scheme in favour of Lithuania. The Fund will finance the establishment of an Entry/Exit System⁵⁸ to address the following challenges: border check delays and improving the quality of border checks for third country nationals, systematic and reliable identification of irregular immigrants and ‘overstayers’, reinforcing internal security and the fight against terrorism and serious crime.

⁵⁸ Subject to adoption of the Commission's proposal COM(2016) 194, 6.4.2016, envisaged by the end of 2016.

In order to meet the growing need for effective management on the EU's external borders in 2017, additional resources will be allocated for purchasing means of transport and equipment for supporting Frontex joint operations. As regards internal security the EU will provide support to Member States for the implementation of the Passenger Name Record system, including the development of the necessary technologies to exchange information and increase interoperability between law-enforcement authorities. Measures enhancing the fight against the financing of terrorism, the prevention of radicalisation and the protection of critical infrastructure will also receive further funding in 2017.

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

4.4.6 IT systems

(in million EUR, rounded figures at current prices)

'IT systems' by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Schengen information system (SIS II)	9,6	13,4	9,8	7,5	49,7%	44,6%	0,2	-5,9	2,0%	-43,7%
— Visa information system (VIS)	9,6	16,3	9,8	9,3	49,7%	54,8%	0,2	-7,0	2,0%	-43,1%
— European fingerprint database (Eurodac)	0,1	0,1	0,1	0,1	0,5%	0,6%			0,0%	0,0%
Total	19,3	29,8	19,7	16,9	100,0%	100,0%	0,4	-12,9	2,0%	-43,2%

The EU can make a real difference in making internal security cooperation between Member States faster, safer and more targeted. The EU provides a number of IT tools to facilitate the exchange of information between national law enforcement authorities: for example, to consult alerts on wanted or missing persons or to invalidate travel documents of persons suspected of wanting to join terrorist groups outside the EU.

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

4.4.7 Justice

(in million EUR, rounded figures at current prices)

'Justice' by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Supporting and promoting judicial training and facilitating effective access to justice for all	33,2	23,2	33,7	24,6	62,6%	59,3%	0,5	1,4	1,6%	6,0%
— Facilitating and supporting judicial cooperation in civil and criminal matters	14,6	10,1	15,8	10,5	29,3%	25,3%	1,2	0,4	8,4%	4,0%
— Supporting initiatives in the field of drugs policy	2,5	2,1	3,1	2,8	5,8%	6,6%	0,6	0,7	24,7%	31,2%
— Support expenditure	1,2	1,2	1,2	1,2	2,2%	2,9%	0,0	0,0	0,0%	0,0%
— Completion (prior to 2014)	0,0	8,0	0,0	2,4	0,0%	5,9%	0,0	-5,6	0,0%	-69,6%
Total	51,5	44,6	53,8	41,5	100,0%	100,0%	2,4	-3,1	4,6%	-7,0%

The general objective of the ‘Justice’ programme is to contribute to the further development of a European area of justice based on mutual recognition and mutual trust. In particular, the actions to be financed promote the application of the Union legislation in the areas of judicial cooperation in civil and criminal matters, facilitating access to justice and supporting initiatives in the field of drugs policy as regards judicial cooperation and crime prevention. The EU funding under this programme is allocated to analytical and training activities, and to dissemination, mutual learning, cooperation, and awareness raising activities, with the aim of *inter alia* increasing the percentage of citizens who consider it easy to access civil justice in another Member State, and contributing to the growth of legal professionals receiving training.

4.4.8 Rights, Equality and Citizenship

(in million EUR, rounded figures at current prices)

‘Rights, Equality and Citizenship’ by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Ensuring the protection of rights and empowering citizens	25,3	17,6	26,5	18,5	42,2%	39,5%	1,1	0,9	4,5%	5,1%
— Promoting non-discrimination and equality	33,5	23,0	35,1	24,0	56,0%	51,3%	1,5	1,0	4,5%	4,3%
— Support expenditure	1,1	1,1	1,1	1,1	1,8%	2,4%			0,0%	0,0%
— Completion (prior to 2014)	p.m.	10,0	p.m.	3,2	0,0%	6,8%		-6,8	0,0%	-68,0%
Total	60,0	51,7	62,6	46,8	100,0%	100,0%	2,7	-4,9	4,4%	-9,5%

The objective of the ‘Rights, Equality and Citizenship’ programme is to contribute to the further development of an area in which the rights of persons are promoted and protected by enhancing the exercise of rights deriving from the citizenship of the Union, promoting the principles of non-discrimination, contributing to the protection of personal data, and enhancing the protection of the rights of the child and the rights deriving from EU consumer legislation. Funding under this programme is allocated to analytical and training activities, and to dissemination, mutual learning, cooperation, and awareness raising activities.

4.4.9 Union Civil Protection Mechanism

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

4.4.10 Europe for Citizens

The ‘Europe for Citizens’ programme aims to strengthen remembrance of the EU’s history and identity by stimulating debate, reflection and networking. It supports activities that encourage reflection on European cultural diversity and on common values in the broadest sense. It also aims to enhance capacity for civic participation at the Union level by developing citizens’ understanding of the Union policy making process and promoting opportunities for societal engagement and volunteering at Union level. Moreover, in the framework of the European Citizens' Initiative (ECI), the programme reinforces the democratic functioning of the Union by providing European citizens with the right to participate directly in the development of EU policies, by calling on the European Commission to make a legislative proposal. The actions are implemented on a transnational level or with a clear European dimension.

4.4.11 Food and feed

(in million EUR, rounded figures at current prices)

‘Food and feed’ by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Ensuring a higher animal health status and high level of protection of animals in the Union	171,9	144,8	165,0	151,3	64,4%	64,5%	-6,9	6,5	-4,0%	4,5%
— Ensuring timely detection of harmful organisms for plants and their eradication	12,0	6,1	15,0	10,0	5,9%	4,3%	3,0	3,9	25,0%	63,9%
— Ensuring effective, efficient and reliable controls	47,4	55,3	53,6	49,5	20,9%	21,1%	6,2	-5,8	13,0%	-10,4%
— Fund for emergency measures related to animal and plant health	19,0	18,0	20,0	16,0	7,8%	6,8%	1,0	-2,0	5,3%	-11,1%
— Support expenditure	2,7	2,7	2,7	2,7	1,0%	1,1%			0,0%	0,0%
— Completion (prior to 2014)	p.m.	15,0	p.m.	5,0	0,0%	2,1%		-10,0	0,0%	-66,7%
Total	253,0	241,9	256,2	234,5	100,0%	100,0%	3,2	-7,4	1,3%	-3,1%

The ‘Food and feed’ measures aim to ensure a high level of health for humans, animals and plants along the food chain and in related areas, and a high level of protection for consumers and the environment, while enhancing the Union food and feed industry competitiveness and creation of jobs. An EU contribution is made towards national programmes aiming to improve animal health and eradicate those diseases that affect people or whose presence can cause major social, economic and political impact. Eradication, surveillance and monitoring programmes are necessary to reduce this risk for public and/or animal health to an acceptable level. There is EU-wide surveillance for diseases such as avian influenza and transmissible spongiform encephalopathies (TSE). In 2017, new measures provided for in the basic Regulation will be implemented; in particular, in case of emergency measures in plant health the owners may be compensated for the value of their plants. The financing of these new measures has required a reprioritisation of actions under the ‘Food and feed’ measures.

4.4.12 Health Programme

The general objectives of the ‘Health’ programme are to complement, support and add value to the policies of Member States to improve the health of EU citizens and reduce health inequalities by promoting health, encouraging innovation in healthcare, increasing the sustainability of health systems and protecting citizens from serious cross-border health threats. Promoting good health is an integral part of the smart and inclusive growth objectives of the ‘Europe 2020 strategy’, in view of its positive impact on productivity and competitiveness.

4.4.13 Consumer Programme

The aim of the ‘Consumer’ programme is to ensure a high level of consumer protection, to empower consumers and to place the consumer at the heart of the internal market. The programme contributes to protecting the health, safety and the legal and economic interests of consumers, as well as to promoting their right to information, education and to organise themselves in order to safeguard their interests. The programme complements, supports and monitors the policies of the Member States.

4.4.14 Creative Europe

(in million EUR, rounded figures at current prices)

‘Creative Europe’ by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Strengthening the financial capacity of SMEs and small and very small organisations in the European cultural and creative sectors, and fostering policy development and new business models	23,8	22,1	30,9	14,2	14,9%	8,1%	7,1	-8,0	29,8%	-35,9%
— Culture sub-programme — Supporting cross-border actions and promoting transnational circulation and mobility	52,8	45,0	54,4	43,4	26,3%	24,7%	1,5	-1,6	2,9%	-3,5%
— MEDIA subprogramme — Operating transnationally and internationally and promoting transnational circulation and mobility	100,7	98,1	107,1	101,0	51,8%	57,4%	6,4	2,9	6,4%	2,9%
— Support expenditure	14,4	14,4	14,5	14,5	7,0%	8,2%	0,1	0,1	0,5%	0,5%
— Completion (prior to 2014)	0,0	16,3	0,0	2,9	0,0%	1,7%	0,0	-13,4	-100,0%	-81,9%
Total	191,8	196,0	206,9	176,1	100,0%	100,0%	15,1	-19,9	7,9%	-10,2%

‘Creative Europe’ is the framework programme for the cultural and creative sectors, with a budget of EUR 1 46 billion over the period 2014-2020. The programme envelope is distributed as follows: 56 % for the MEDIA sub-programme, 31 % for the Culture sub-programme and 13 % for the cross-sectoral strand. By specifically targeting the needs of the cultural and creative sectors that aim to operate beyond national borders, with a strong link to the promotion of cultural and linguistic diversity, the programme complements other EU programmes such as structural fund support for investment in the cultural and creative sectors, heritage restoration, cultural infrastructure and services, digitisation funds for cultural heritage and the enlargement and external relations instruments.

Investing in the cultural and creative sectors directly contributes to the Europe 2020 strategy's aim to promote smart, sustainable, and inclusive growth. Creative Europe is expected to contribute to raising the sector's share of EU GDP to 4,8 % by 2020, and to bring its share of employment to 4 %. Remarkable results have already been achieved: MEDIA has become recognised in the audiovisual industry at European and international level as a brand representing artistic quality and creativity. 15 of the 22 Césars awarded in February 2016 went to eight EU MEDIA supported films. For the fourth consecutive year, the Oscar for Best Foreign Language Film went to a MEDIA supported film: Son of Saul. Another EU co-funded film, Amy, won the Oscar for Best Documentary.

4.4.15 Communication actions

Through 'Communication actions', the Commission reaches out to EU citizens across the EU, to build confidence and gain their trust. Communication actions contribute to improving citizens' information about, and understanding and involvement in, the EU policy-making process, demonstrating how EU actions have an impact on their daily lives. These actions are implemented in cooperation with the European Parliament, the Member States, and the 518 'Europe Direct' Information Centres as well as through Commission Representations and Regional Offices in Member States. Through its audio-visual communication tools, the Commission informs citizens and allows them to find out more about the political and legislative process of the EU and its results. These actions disseminate information about EU policy outcomes and achievements through multi-lingual online and written information and via a variety of communication tools such as roadshows and 'Dialogues with citizens' organised locally with the support of Commission Representations. In particular, in 2017 the Commission will continue the development of the Europa website which aims to create a coherent, relevant and cost-effective digital presence.

4.4.16 Payment appropriations for heading 3

The total level of payment appropriations requested for heading 3 in 2017 is set at EUR 3 781,9 million, an increase of 25,1 % and is largely the result of the increased level of commitments budgeted since 2015.

For each of the 2014-2020 programmes, funds and actions, the Commission has made a thorough analysis of the delivery mechanism in the adopted legal bases. Based on this analysis and on past experience, the Commission determined when disbursements are expected to be made in 2017. Payments on 2014-2020 programmes, relating mostly to pre-financings, account for EUR 3 377,5 million, of which EUR 866,8 million is foreseen to cover the EU contributions to decentralised agencies under this heading. A further EUR 38,4 million will be used to pay non-differentiated administrative expenditure, for which commitments are equal to payments.

The Commission estimates that the need for intermediate and final payments on outstanding commitments made prior to 2014 under heading 3 will amount to EUR 365,7 million in 2017.

4.5 Heading 4 — Global Europe

4.5.1 Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Instrument for Pre-accession assistance (IPA II)	1 662,3	2 079,2	2 114,7	1 716,2	22,4%	18,5%	452,5	-363,0	27,2%	-17,5%
— European Neighbourhood Instrument (ENI)	2 186,5	2 328,6	2 187,1	2 294,1	23,2%	24,7%	0,5	-34,5	0,0%	-1,5%
— Development Cooperation Instrument (DCI)	2 629,9	2 729,0	2 711,5	2 657,8	28,7%	28,6%	81,6	-71,2	3,1%	-2,6%
— Partnership instrument for cooperation with third countries (PI)	125,6	109,0	133,7	135,9	1,4%	1,5%	8,1	26,8	6,4%	24,6%
— European Instrument for Democracy and Human Rights (EIDHR)	185,5	180,5	189,0	168,4	2,0%	1,8%	3,5	-12,2	1,9%	-6,7%
— Instrument contributing to Stability and Peace (IcSP)	326,7	316,4	273,3	294,2	2,9%	3,2%	-53,4	-22,2	-16,3%	-7,0%
— Humanitarian aid (HUMA)	1 108,8	1 471,2	945,4	1 145,8	10,0%	12,3%	-163,3	-325,3	-14,7%	-22,1%
— Common Foreign and Security Policy (CFSP)	327,3	298,6	333,9	297,2	3,5%	3,2%	6,6	-1,4	2,0%	-0,5%
— Instrument for Nuclear Safety Cooperation (INSC)	71,8	97,0	62,3	81,4	0,7%	0,9%	-9,5	-15,5	-13,2%	-16,0%
— Macro-financial Assistance (MFA)	79,7	79,7	30,8	30,8	0,3%	0,3%	-48,8	-48,8	-61,3%	-61,3%
— Guarantee Fund for external actions (GF)	257,1	257,1	240,5	240,5	2,6%	2,6%	-16,6	-16,6	-6,4%	-6,4%
— Union Civil Protection Mechanism	17,6	18,9	20,7	19,6	0,2%	0,2%	3,2	0,7	18,0%	3,8%
— EU Aid Volunteers initiative (EUAV)	17,9	14,2	22,0	23,7	0,2%	0,3%	4,1	9,5	23,1%	67,2%
— Other actions and programmes	83,8	78,2	81,1	89,8	0,9%	1,0%	-2,6	11,6	-3,1%	14,8%
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	63,8	60,8	66,1	67,3	0,7%	0,7%	2,3	6,6	3,6%	10,8%
— Pilot projects and preparatory actions	3,0	17,4	p.m.	7,3	0,0%	0,1%	-3,0	-10,1	-100,0%	-58,2%
— Decentralised agencies	20,0	20,0	19,8	19,8	0,2%	0,2%	-0,2	-0,2	-0,9%	-0,9%
Total	9 167,0	10 155,6	9 432,0	9 289,7	100,0%	100,0%	265,0	-865,9	2,9%	-8,5%
<i>Of which under Flexibility Instrument</i>	<i>24,0</i>		<i>0,0</i>							
<i>Ceiling</i>	<i>9 143,0</i>		<i>9 432,0</i>							
<i>Margin</i>	<i>0,0</i>		<i>0,0</i>							

(1) Budget 2016 includes amending budgets 1 and 2 and draft amending budget 3.

4.5.2 Priorities for 2017

The EU's external action seeks to promote democracy, peace, solidarity, stability, poverty reduction, by investing in its neighbourhood, supporting countries preparing for EU membership and promoting its core interests worldwide. Expenditure for heading 4 increases by 2,9 % to EUR 9 432,0 million in commitment appropriations in 2017. The three largest policy-driven instruments, the Instrument for Pre-accession assistance (IPA), the European Neighbourhood Instrument (ENI) and the Development Cooperation Instrument (DCI), increase their share of external action funding to 74,4 % (EUR 7 013,3 million), largely because of the increase in IPA in relation to the establishment of the Facility for Refugees in Turkey (FRT).

Humanitarian aid accounts for 10,1% of heading 4 resources, with an allocation of EUR 945,4 million. Major unforeseen needs over and above the humanitarian aid allocation may also be covered by the 'Emergency Aid Reserve' (EAR).

The European Instrument for Democracy and Human Rights (EIDHR) remains of central importance in projecting European values. Its funding remains broadly stable at EUR 189,0 million.

The crisis response Instrument contributing to Stability and Peace (IcSP) and Common Foreign and Security Policy (CFSP), respectively requiring EUR 273,3 million and EUR 333,9 million, fund politically highly important and visible operations and actions contributing to peace and stability at the EU's borders and further. EUR 60 million from the IcSP have been made available to IPA for the FRT, which explains the decrease of the programme in 2017.

The share of the Partnership Instrument (EUR 133,7 million), specifically designed to project EU interests on the international scene, remains constant.

Most of the instruments in heading 4 will also contribute to tackling the migration and refugee crisis by directly assisting the countries and communities hosting refugees, as well as by addressing the root causes of migration in the wider regions of origin.

Part of this is the response to the Syrian crisis addressed by the London conference in February 2016⁵⁹. The EU pledged EUR 2,39 billion for 2016-2017 inter alia to provide food, shelter, education and retraining for the refugees and to encourage the host countries notably in Jordan, Lebanon and Turkey to seek sustainable opportunities for peaceful coexistence with the refugees.

(in million EUR, rounded figures at current prices)

Sources of EU pledge – London conference					
Sources	Jordan - Lebanon	Syria	Subtotal	(FRT)	Total
EU Budget 2016	300,0	205,0	505,0	250,0	755,0
EU Draft Budget 2017	370,0	155,0	525,0	750,0	1 275,0
Subtotal	670,0	360,0	1 030,0	1 000,0	2 030,0
EU Trust Fund 'MADAD'	130,0	30,0	160,0	-	160,0
Macro-financial Assistance (loans)	200,0	-	200,0	-	200,0
Total	1 000,0	390,0	1 390,0	1 000,0	2 390,0

In total, EUR 525 million is planned in the DB 2017 for assistance for Syria, Jordan and Lebanon, in compliance with the pledges made. EUR 750 million is earmarked for the FRT in 2017. Adding the contribution in 2016 (EUR 250 million) this means that the EU budget will contribute its share of EUR 1 billion to the agreed total of EUR 3 billion for the FRT, with EUR 2 billion coming from Member States in the form of assigned revenue. The details for 2017 are outlined in the table below:

(in million EUR, rounded figures at current prices)

Contributing programmes	Amounts	Comments
Instrument for Pre-accession assistance (IPA II)	293,0	EUR 183 million funded from the unallocated heading 4 margin + EUR 110 million IPA reprogramming
Common Foreign and Security Policy (CFSP)	85,0	EUR 85 million from CFSP to be made available to IPA through budgetary transfer in 2017
Development Cooperation Instrument (DCI)	82,0	EUR 10 million from DCI + EUR 72 million made available to IPA
Humanitarian aid (HUMA)	145,0	EUR 145 million from HUMA
Instrument contributing to Stability and Peace (IcSP)	60,0	EUR 60 million made available to IPA
Guarantee Fund for external actions (GF)	85,0	EUR 85 million from the GF made available to IPA
Total	750,0	

⁵⁹ 'Supporting Syria and the Region' London conference hosted by the UN with the UK and DE governments - 4 February 2016.

4.5.3 Instrument for Pre-Accession assistance (IPA)

The tables below present the 2017 breakdown of the IPA programme by main objectives and geographic area:

(in million EUR, rounded figures at current prices)

IPA by main objectives	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Support for political reforms and related progressive alignment with the Union <i>acquis</i>	445,3	176,6	413,9	170,5	19,6%	9,9%	-31,4	-6,1	-7,1%	-3,4%
— <i>Of which Support to Turkey</i>	255,3	122,3	137,2	38,5	6,5%	2,2%	-118,1	-83,7	-46,3%	-68,5%
— <i>Of which Support to Western Balkans</i>	190,0	54,3	276,7	131,9	13,1%	7,7%	86,7	77,6	45,6%	143,0%
— Support for economic, social and territorial development and related progressive alignment with the Union <i>acquis</i>	780,4	274,3	1 230,8	587,4	58,2%	34,2%	450,4	313,1	57,7%	114,1%
— <i>Of which Support to Turkey</i>	409,5	207,5	899,2	427,2	42,5%	24,9%	489,7	219,7	119,6%	105,9%
— <i>Of which Support to Western Balkans</i>	371,0	66,8	331,7	160,2	15,7%	9,3%	-39,3	93,4	-10,6%	139,8%
— Regional integration and territorial cooperation and support to groups of countries (horizontal programmes)	393,9	190,3	424,6	295,5	20,1%	17,1%	30,7	105,2	7,8%	55,3%
— Support expenditure	42,6	42,6	45,4	45,4	2,1%	2,6%	2,7	2,7	6,4%	6,4%
— Completion (prior to 2014)	0,0	1 395,3	0,0	617,4	0,0%	36,0%	0,0	-777,9	0,0%	-55,8%
Total	1 662,3	2 079,2	2 114,7	1 716,2	100,0%	100,0%	452,5	-363,0	27,2%	-17,5%

The EU continues to prepare for possible future enlargements. Accession negotiations are ongoing with Turkey, Montenegro and Serbia, while Albania and the former Yugoslav Republic of Macedonia have been granted candidate status. The remaining Western Balkans partners Bosnia and Herzegovina and Kosovo⁶⁰ continue to be potential candidates, with the perspective of moving closer to EU membership once they are ready. Iceland has requested not to be regarded as a candidate country.

Pre-accession financial assistance is provided on the basis of the 'Instrument for Pre-accession Assistance' (IPA II). Its general objective is to support the beneficiaries listed in the IPA II Regulation in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.

The EU budget contribution to the Facility for Refugees in Turkey is to a large extent channelled via IPA under its objective *Support for economic, social and territorial development*, which explains the large increase for this objective in Turkey between 2016 and 2017.

The assistance is provided on the basis of a thorough analysis of the needs and capacities of the individual beneficiary. This is described in the indicative 'Country Strategy Paper', a high level planning document valid for the years 2014-2020 that outlines the support in the five policy areas identified in the basic act. In line with the coordinated and comprehensive approach to managing pre-accession assistance under IPA II, all appropriations are initially brought under the same budget Title 22, except for rural development programmes under the policy area 'Agriculture and rural development', which continue to be included in Title 05, and cross-border co-operation between enlargement countries and Member States which continue to be included in Title 13 ('Regional and urban policy').

⁶⁰ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

4.5.4 Support to the Turkish Cypriot community (TCc)

The Commission proposes to continue the support to the ‘Turkish Cypriot community’ under the Council Regulation No 389/2006 (the ‘Aid Regulation’) to facilitate the reunification of Cyprus through various measures. The appropriations proposed (EUR 31,8 million) will continue to finance actions in support of the specific objectives of the Aid Regulation, with a particular focus on the private sector and economic development and on confidence-building activities.

4.5.5 European Neighbourhood Instrument (ENI)

(in million EUR, rounded figures at current prices)

ENI by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Supporting cooperation with Mediterranean countries	915,9	620,3	893,9	496,0	40,9%	21,6%	-22,0	-124,3	-2,4%	-20,0%
— Support to the peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	290,1	310,0	282,2	280,0	12,9%	12,2%	-7,9	-30,0	-2,7%	-9,7%
— Supporting cooperation with Eastern Partnership countries	529,1	213,8	544,1	278,0	24,9%	12,1%	15,0	64,2	2,8%	30,0%
— Ensuring efficient cross-border cooperation (CBC) and support to other multi-country cooperation	306,7	110,8	312,7	143,0	14,3%	6,2%	6,0	32,2	24,5%	32,1%
— Erasmus+ — Contribution from the European Neighbourhood Instrument (ENI)	95,4	75,5	102,4	96,6	4,7%	4,2%	7,0	21,2	7,3%	28,0%
— Participation of European neighbourhood countries in ERDF ETC — Contribution from Heading 4 (ENI)	1,4	0,3	1,5	0,2	0,1%	0,0%	0,0	0,0	3,2%	-12,5%
— Support expenditure	47,9	47,9	50,2	50,2	2,3%	2,2%	2,3	2,3	4,8%	4,8%
— Completion (prior to 2014)	—	950,0	p.m.	950,0	0,0%	41,4%	p.m.		0,0%	0,0%
Total	2 186,5	2 328,6	2 187,1	2 294,1	100,0%	100,0%	0,5	-34,5	0,0%	-1,5%

The ‘European Neighbourhood Policy’ (ENP) is the basis for the EU’s engagement with its neighbours.

The neighbourhood remains a strategic priority for the EU, especially in light of the numerous crises currently affecting it, with a migratory spill-over effect to the Union.

The joint Communication ‘Review of the ENP’⁶¹ adopted in November 2015 seeks to give a new impetus to the policy, to be delivered through reinforced cooperation with Member States and increased ownership by partner countries. New partnership priorities are in the process of being negotiated but the main focus is put on stabilisation. In addition to the established sectors of cooperation such as good governance, protection of human rights, democracy and rule of law, sectors of reinforced cooperation include energy, security and security sector reform, combatting crime and migration.

An amount of EUR 190 million is foreseen to be allocated to respond to the Syria crisis, following the pledge at the London Conference of February 2016.

Support to the Middle East Peace Process will continue in the form of financial assistance to the Palestinian people, contributing to the goal of a resolution of this conflict.

⁶¹ JOIN(2015) 50 final.

4.5.6 Development Cooperation Instrument (DCI)

(in million EUR, rounded figures at current prices)

DCI by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Cooperation with Latin America	320,3	133,7	333,4	245,6	12,3%	9,2%	13,1	111,9	4,1%	83,7%
— Cooperation with Asia	666,6	265,1	671,7	280,0	24,8%	10,5%	5,1	14,9	0,8%	5,6%
— Cooperation with Central Asia	128,7	49,1	128,8	56,0	4,8%	2,1%	0,1	6,9	0,1%	14,1%
— Cooperation with the Middle East	66,5	26,6	66,5	25,0	2,5%	0,9%	0,0	-1,6	0,0%	-5,9%
— Cooperation with Afghanistan	199,4	83,4	238,7	90,0	8,8%	3,4%	39,3	6,6	19,7%	7,9%
— Cooperation with South Africa	60,0	12,7	59,8	16,4	2,2%	0,6%	-0,2	3,8	-0,4%	29,7%
— Global public goods and challenges and poverty reduction, sustainable development and democracy	662,5	374,2	651,6	441,1	24,0%	16,6%	-10,9	66,9	-1,6%	17,9%
— Financing initiatives in the area of development by or for civil society organisations and local authorities	241,2	104,9	255,2	155,0	9,4%	5,8%	14,1	50,1	5,8%	47,8%
— Pan-Africa programme to support the Joint Africa-European Union Strategy	93,5	53,7	109,2	124,7	4,0%	4,7%	15,7	71,0	16,8%	132,2%
— Erasmus+ — Contribution from the development cooperation instrument (DCI)	105,0	61,5	108,9	93,8	4,0%	3,5%	3,9	32,4	3,7%	52,7%
— Support expenditure	86,2	86,2	87,6	87,6	3,2%	3,3%	1,4	1,4	1,7%	1,7%
— Completion (prior to 2014)	—	1 478,1	p.m.	1 042,6	0,0%	39,2%	p.m.	-435,5	0,0%	-29,5%
Total	2 629,9	2 729,0	2 711,5	2 657,8	100,0%	100,0%	81,6	-71,2	3,1%	-2,6%

The primary and overarching objective of the ‘Development Cooperation Instrument’ (DCI) is the reduction and in the longer term, the eradication of poverty, while fostering sustainable economic, social and environmental development, promoting democracy, the rule of law, good governance and the respect for human rights.

The Commission will in 2017 continue to focus its efforts on strengthening its capacity to link security and development in the implementation of the EU's development policy. The resources are targeted where they are needed most and have most impact in terms of poverty reduction. Together with other instruments in heading 4 and especially the European Development Fund (EDF), the DCI will continue to build on positive results in regions facing an accumulation of political, military, humanitarian and health crises and will keep a special focus on the effective implementation of EU's substantial aid package. The DCI will thereby contribute to the fight against the root causes of irregular migration.

The Instrument is divided into Geographic and Thematic Programmes. The geographical programmes support actions in Latin America, Asia, Central Asia, the Middle East (Iran, Iraq and Yemen) and South Africa. The programmes distinguish between regional and bilateral cooperation, with the latter based on the principle of differentiation focusing on fragile states, states of high vulnerability and partner countries having limited capacity to support their own development.

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

Finally, a Pan-African programme provides support for the objectives, initiatives and activities agreed in the Joint Africa-EU Strategy. It applies the principle of ‘treating Africa as one’, and promotes coherence between regional and continental levels, focusing in particular on activities of a cross-regional, continental or global nature, and support joint Africa-EU initiatives in the global arena.

4.5.7 Partnership Instrument (PI)

The ‘Partnership Instrument’ has global reach. Its main objective is to advance and promote Union and mutual interests. It addresses global challenges such as climate change and energy security and supports partnership strategies by promoting policy dialogues. The external projection of the ‘Europe 2020 strategy’ represents a major strategic component of this Instrument. It also aims to address specific aspects of the EU’s economic diplomacy, trade and investment opportunities and to support public diplomacy, people-to-people contacts, education/academic co-operation and outreach activities to promote the Union’s values and interests. The Partnership Instrument helps underpin relations with the EU’s strategic partners that are no longer eligible for bilateral development aid (Brazil, China, India and Mexico) and with some of the G7 partners (Canada, Japan and the U.S.).

4.5.8 European Instrument for Democracy and Human Rights (EIDHR)

(in million EUR, rounded figures at current prices)

EIDHR by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Improving the reliability of electoral processes, in particular by means of election observation missions	44,6	35,5	45,4	37,5	24,0%	22,3%	0,7	2,0	1,7%	5,7%
— Enhancing the respect for and observance of human rights and fundamental freedoms and supporting democratic reforms	130,3	75,0	132,8	100,0	70,3%	59,4%	2,5	25,0	1,9%	33,3%
— Support expenditure	10,6	10,6	10,8	10,8	5,7%	6,4%	0,2	0,2	2,3%	2,3%
— Completion (prior to 2014)	0,0	59,4	0,0	20,0	0,0%	11,9%	0,0	-39,4	0,0%	-66,3%
Total	185,5	180,5	189,0	168,4	100,0%	100,0%	3,5	-12,2	1,9%	-6,7%

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

The 2017 budget will finance actions under the Action Plan on Human Rights and Democracy 2015-2019, adopted in July 2015. The EIDHR Multiannual Action Programme 2016-2017 maintains the worldwide coverage of the instrument already achieved and supports several new thematic initiatives on top of the usual pressing issues such as endangered Human Rights Defenders, local Civil Society Organisations and key partners.

The EIDHR supports, inter alia, around 300 Human Rights Defender cases a year. The instrument also supports and consolidates democratic reforms in third countries, by enhancing participatory and representative democracy and strengthening the overall democratic cycle. To that effect up to 23 missions may be deployed to support and assess democratic and electoral processes in 2017. Moreover, four follow-up missions, deployed after an Election Observation Mission to assess implementation of recommendations, are planned in 2017.

4.5.9 Instrument contributing to Stability and Peace (IcSP)

The ‘Instrument contributing to Stability and Peace’ (IcSP) consists of three major components: ‘Crisis response’, ‘Conflict prevention’ and ‘Global, trans-regional and emerging threats’. The policy has a global reach with a specific emphasis on implementing the development and security nexus. The crisis response aims to strengthen international security through interventions in crisis situations at all stages of the conflict cycle. Based on past experience and depending on the development of the security situation, the actions will continue to cover the eastern Mediterranean, including countries affected by the Syrian conflict, where the IcSP has been intervening since 2012; the Middle East; Ukraine; major conflict areas in Africa (Sudan/South Sudan, the Central African Republic etc.). It is estimated that around 24 response actions in situations of crisis or emerging crisis will be launched in 2017. The actions in the area of conflict prevention, peace-building and crisis preparedness will continue through the development of partnerships with peace-building stakeholders including civil society.

The component addressing global, trans-regional and emerging threats to peace, international security and stability will concentrate on main areas such as organised crime (including drug trafficking routes) and countering terrorism. Funding will also be provided for the security of critical infrastructure - maritime routes, airport security and energy security. Another focus area since 2015 is climate change. The actions on Chemical, Biological, Radiological or Nuclear (CBRN) risk mitigation will continue through the CBRN Centres of Excellence.

4.5.10 Humanitarian Aid

(in million EUR, rounded figures at current prices)

Humanitarian Aid by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Delivery of rapid, effective and needs-based humanitarian aid and food aid	1 061,8	1 428,8	893,1	1 089,7	94,5%	95,1%	-168,7	-339,0	-15,9%	-23,7%
— Disaster prevention, disaster risk reduction and preparedness	37,9	33,4	43,1	46,9	4,6%	4,1%	5,2	13,5	13,7%	40,5%
— Support expenditure	9,1	9,1	9,2	9,2	1,0%	0,8%	0,2	0,2	2,0%	2,0%
Total	1 108,8	1 471,2	945,4	1 145,8	100,0%	100,0%	-163,3	-325,3	-14,7%	-22,1%

Recognising the severe humanitarian needs partly due to the refugee crises, the initial 2016 draft budget (EUR 932,8 million) was greatly reinforced by Amending letter No 2/2016, during the budgetary process and by transfers from within heading 4 and from the Emergency Aid Reserve. In 2017, humanitarian aid activities will continue to fund assistance, relief and protection in complex and possibly long-standing crisis situations in the most vulnerable countries, as well as to provide aid to regions affected by natural disasters such as cyclones/hurricanes, droughts, earthquakes and floods. Increased funding and effort will be directed to building resilience among communities recurrently affected by natural and man-made disasters. Assistance to persons affected by ‘forgotten crises’ is also catered for. The programme aims to ensure EU involvement in all major emergencies and to ensure that on average 83 000 beneficiaries can be reached per EUR million spent during the whole programming period (humanitarian and food aid). All humanitarian aid funding indirectly contributes to reducing migratory flows worldwide.

4.5.11 Common Foreign and Security Policy (CFSP)

(in million EUR, rounded figures at current prices)

CFSP by components	Budget 2016		Draft budget (DB) 2017		Share		Difference 2017 – 2016		Difference 2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Monitoring mission in Georgia	19,0	17,0	18,0	17,5	5,4%	5,9%	-1,0	0,5	-5,3%	2,9%
— EULEX Kosovo	70,0	72,0	70,0	79,0	21,0%	26,6%		7,0	0,0%	9,7%
— EUPOL Afghanistan	p.m.	38,0	40,0	35,0	12,0%	11,8%	40,0	-3,0	0,0%	-7,9%
— Other crisis management measures and operations	148,8	116,8	83,9	78,6	25,1%	26,4%	-64,9	-38,2	-43,6%	-32,7%
— Emergency measures	37,0	4,0	69,5	33,2	20,8%	11,2%	32,5	29,2	87,8%	730,3%
— Preparatory and follow-up measures	8,0	4,0	8,5	1,1	2,5%	0,4%	0,5	-3,0	6,3%	-73,8%
— European Union Special Representatives	25,0	26,5	24,0	26,9	7,2%	9,0%	-1,0	0,4	-3,9%	1,4%
— Support to non-proliferation and disarmament	19,0	19,8	19,5	25,5	5,8%	8,6%	0,5	5,7	2,6%	28,8%
— Support expenditure	0,5	0,5	0,5	0,5	0,1%	0,2%			0,0%	0,0%
Total	327,3	298,6	333,9	297,2	100,0%	100,0%	6,6	-1,4	2,0%	-0,5%

The ‘Common Foreign and Security Policy’ (CFSP) is intended to safeguard the common values of the Union, strengthen its security, preserve peace and strengthen international security, promote international cooperation and develop democracy and the rule of law, respect for human rights and fundamental freedoms. The Commission cooperates with the Council and the European External Action Service and implements the CFSP budget. The 2017 estimates have been established assuming that most of the on-going missions will be extended in 2017. The Commission proposes a provisional amount for EUPOL Afghanistan in line with on-going discussions in the Council on the possibility of continuing the EU presence in Afghanistan after 2016. Should situations deteriorate or new crises suddenly occur, existing missions might need to be expanded or merged and/or new missions launched.

The Commission is considering the request to transfer three double-hatted EU Special Representatives (EUSRs) - Kosovo, Afghanistan and Bosnia Herzegovina - to the EEAS budget in order to consolidate the EU presence and representation in third countries and achieve efficiencies. It will make the related proposal later in the year, in view of achieving possible savings or, at the very least, budgetary neutrality.

4.5.12 Other Instruments

4.5.12.1 Instrument for Nuclear Safety Cooperation (INSC)

Through the ‘Instrument for Nuclear Safety Cooperation’ (INSC) the EU will continue to pursue the promotion of an effective nuclear safety culture in third countries, especially since any accident in this domain has lasting trans-boundary effects.

Appropriations in 2017 will support nuclear regulators and international authorities in the area of nuclear safety, for the development of radiation protection standards, as well as the safe treatment and disposal of spent nuclear fuel and radioactive waste.

In view of the EU's additional contribution of EUR 100 million pledged for the 2015-2017 period, EUR 30 million are allocated for a contribution to the Chernobyl Nuclear Safety Account. The funding seeks to mitigate the nuclear radiation risks for the population of Ukraine and the neighbouring countries.

4.5.12.2 Macro-financial Assistance

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

4.5.12.3 Guarantee Fund for external actions

The amount requested for the provisioning of the ‘Guarantee Fund for external actions’ is a legal requirement, which is calculated on the basis of the provisions of Council Regulation No 480/2009 establishing a Guarantee Fund for external actions. The lending operations covered by the Guarantee Fund relate to three different instruments which benefit from a guarantee from the EU budget: guarantees to the European Investment Bank (EIB) external loans and loan guarantees; Euratom external lending; and EU macro-financial assistance loans to third countries. More than 90 % of the total outstanding amount covered by the Guarantee Fund concerns guarantees issued with respect to loans and loan guarantees granted for projects in third countries by the EIB.

4.5.12.4 Union Civil Protection Mechanism (CPM)

The Mechanism aims to ensure the rapid, cost-effective and efficient mobilisation of European civil protection assistance in case of major emergency in third countries. It has one component in heading 3 to cover crisis-preparedness within the Union and one component in heading 4 to cover external crises. The legal base for 2014-2020 aims to strengthen the overall approach to disaster management, including a stronger focus on disaster preparedness and prevention and the creation of a voluntary pool of pre-committed response assets that Member States declare available in principle for EU operations. The Emergency Response Coordination Centre (ERCC), launched in 2013, ensures 24/7 operational capacity.

4.5.12.5 EU Aid Volunteers Initiative (EUAV)

The objective of the EUAV is to express the Union’s humanitarian values and solidarity with people in need. The initiative contributes to strengthening the Union's capacity to respond to humanitarian crises and to building capacity and resilience of vulnerable or disaster-affected communities in third countries. The EUAV is a framework, comprising: development of standards for volunteers and for their management and deployment; certification of sending and hosting organisations; identification and selection of volunteers and their training; and maintaining a register of EU aid volunteers. Activities also include the actual deployment of EU aid volunteers in third countries and capacity building of the hosting organisations.

4.5.12.6 Partnership with Greenland

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

4.5.13 *Payment appropriations for heading 4*

The total level of payment appropriations requested for heading 4 in 2017 is set at EUR 9 289,7 million. The decrease in requested payment appropriations compared to 2016 is explained by the fact that the 2016 request was unusually high in order to absorb the accumulated backlog from 2015. The payment situation by the end of 2016 is expected to be back to normal, i.e. with no unpaid bills due to insufficient payment appropriations. The year 2017 is therefore expected to start on a sustainable basis.

For each of the 2014-2020 programmes, the Commission has made a thorough analysis of the delivery mechanism in the adopted legal bases and taken into consideration the need to stabilise the outstanding commitments. To this end, payments on 2014-2020 programmes are set at EUR 6 339,0 million, of which EUR 19,8 million is foreseen to cover the EU contributions to decentralised agencies under this heading. A further EUR 220,9 million will be used to pay non-differentiated administrative expenditure, for which commitments are equal to payments.

The Commission estimates that the need for intermediate and final payments on outstanding commitments made prior to 2014 under heading 4 will amount to EUR 2 729,8 million in 2017.

4.6 Heading 5 — Administration

4.6.1 Summary table for appropriations

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

(in million EUR, rounded figures at current prices)

	Budget 2016 ⁽¹⁾	DB 2017	Share	Difference 2017 – 2016	
— Pensions and European Schools	1 816,1	1 956,5	21,0%	140,4	7,7%
— Pensions	1 640,5	1 770,8	19,0%	130,3	7,9%
— Staff pensions	1 619,0	1 746,0	18,7%	127,0	7,8%
— Pensions of former Members	21,6	24,8	0,3%	3,3	15,2%
— European schools ^{(2) (3)}	175,6	185,8	2,0%	10,1	5,8%
— Administrative expenditure of the institutions	7 134,9	7 365,2	79,0%	230,3	3,2%
— Commission ⁽⁴⁾	3 356,9	3 466,0	37,2%	109,1	3,2%
— Other institutions	3 777,9	3 899,1	41,8%	121,2	3,2%
— European Parliament ⁽⁴⁾	1 838,4	1 900,6	20,4%	62,2	3,4%
— European Council and Council	545,1	559,5	6,0%	14,4	2,6%
— Court of Justice of the European Union ⁽⁴⁾	380,0	396,3	4,3%	16,3	4,3%
— Court of Auditors	137,6	140,2	1,5%	2,6	1,9%
— European Economic and Social Committee	130,6	131,9	1,4%	1,3	1,0%
— Committee of the Regions	90,5	92,0	1,0%	1,4	1,6%
— European Ombudsman ⁽⁴⁾	10,4	10,7	0,1%	0,3	2,6%
— European data-protection Supervisor	9,3	11,2	0,1%	1,9	21,0%
— European External Action Service	636,1	656,9	7,0%	20,8	3,3%
Total	8 951,0	9 321,7	100,0%	370,7	4,1%
Ceiling	9 483,0	9 918,0			
Of which offset against Contingency Margin	0,0	-514,4			
Margin	532,0	81,9			
Of which Administrative expenditure of the institutions	7 134,9	7 365,2		230,3	3,2%
Sub-ceiling	7 679,0	8 007,0			
Of which offset against Contingency Margin	0,0	-514,4			
Sub-margin	544,1	127,5			

(1) Budget 2016 includes amending budgets 1 and 2 and draft amending budget 3.

(2) Including contribution to Type II European schools from all institutions. For the 2017 draft budget, the amounts concerned are as follows: Commission: EUR 818 473; European Ombudsman: EUR 255 000; European Parliament: EUR 295 000 and Court of Justice: EUR 21 000.

(3) Including an amount of EUR 4 664 253 placed in reserve (under budget line 40 01 40) for the European school in Frankfurt.

(4) Excluding contribution to European schools.

Heading 5 covers the administrative expenditure of all institutions, pensions and European schools. As explained in more detail below, strict measures have been taken to ensure that the administrative expenditure of all institutions (excluding pensions and European schools) integrate to the maximum extent all possibilities for rationalisation and savings. Consequently, the share of heading 5 in the budget remains stable at the 2016 level.

Total expenditure in 2017 is estimated at EUR 9 321,7 million (an increase of 4,1 % compared to the 2016 budget). This leaves a margin of EUR 596,3 million under the ceiling of heading 5, of which an amount of EUR 514,4 million is offset for the use of the Contingency Margin for heading 3. This overall estimate of expenditure takes into account the continuing staff reduction, the impact of the higher than estimated salary update as of 1 July 2015 (2,4 %, as compared to the rate of 1,2 % included in the budget 2016) and the increase in security expenditure.

4.6.2 *Overview administrative expenditure by institution*

As in previous years, the 2017 draft budget maintains a rigorous approach towards administrative expenditure. The administrative expenditure of all institutions combined increases by 3,2 % (excluding pensions and European schools). The proposed increase is 3,2 % for the Commission and 3,2 % for the other institutions. This increase includes the additional appropriations relating to the phasing-out of the derogation for the Irish language for all institutions (EUR 5,8 million). For the European Parliament, the increase is mainly due to the request for additional appropriations relating to security (EUR 46,6 million) as well as the internalisation of drivers (EUR 2,4 million). For the EEAS, the request for additional appropriations relates mostly to security (EUR 8,2 million) and inter-institutional cooperation (EUR 1,2 million). The increase for the Court of Justice is mainly due to the full year budgetary impact of the reform of the Court's structure (EUR 2,0 million), additional appropriations relating to security (EUR 1,7 million) and additional appropriations requested to reinforce linguistic services (EUR 3,2 million).

Concerning its own section of the budget, the Commission has made further efforts to contain all non-salary related expenditure slightly below the level of the 2016 budget, by significantly reducing other administrative expenditure related to non-contractual obligations. As a result, the total Commission administrative expenditure (excluding additional expenditure related to the re-housing of the services located in the Jean Monnet building (JMO) in Luxembourg, the phasing-out of the Irish derogation and the impact of the 2015 salary update) is kept close to the expected level of inflation (estimated at + 1,5 % for Brussels and + 1,7 % for Luxembourg), i.e. stable in real terms. This has been obtained by decreasing all non-salary related expenditure by 0,7 % with the exception of the appropriations related to the relocation from the JMO building and the phasing-out of the Irish derogation.

As regards human resources, in line with the objective of reducing staffing levels by 5 % over five years and taking into account the delegation of certain implementing tasks to executive agencies, the Commission proposes to reduce the number of its establishment plan posts by 1,2 %, and to contain appropriations for its external personnel (contract agents, local agents, agency staff and seconded national experts) financed under all headings, leading to a total staff reduction in the Commission of 1,24 %. In addition, the Commission is redeploying a significant number of posts internally to meet new priorities (547 posts in 2017).

The Commission has encouraged all EU institutions and bodies to follow the same rigorous approach when preparing their estimates, both as regards staffing numbers and administrative expenditure. All the other institutions were expected to apply staff reductions in their respective statement of estimates for 2017 with a view to achieving the 5 % staff reduction target, in accordance with the 2014-2020 IIA⁶². An overview of the requested number of establishment plan posts by institution is presented in section 5.2.1 below. As regards administrative expenditure, the Commission encouraged the other institutions to follow a nominal freeze for all non-salary related expenditure. This approach has been followed to varying degrees and the section below describes how the Commission has integrated the 2017 requests of the other institutions into the draft budget⁶³.

⁶² OJ C 373, 20.12.2013.

⁶³ Article 314 (1) of the Treaty on the Functioning of the European Union states that: "... each Institution shall ... draw up estimates of its expenditure for the following financial year. The Commission shall consolidate these estimates in a draft budget, which may contain different estimates."

Using the staff reduction target and the nominal freeze for all non-salary related expenditure as benchmark, while taking into account special circumstances which may justify certain exceptions, in particular additional needs to strengthen security, the Commission has adjusted downwards the original draft estimates of the following two institutions:

- European Economic and Social Committee:
 - The Commission has revised the Committee's initial request downwards by applying a nominal freeze to non-salary related expenditure (-EUR 0,2 million). Furthermore, in order to ensure full compliance with the principle of budget neutrality of the cooperation agreement signed in 2013 between the European Parliament, the Economic and Social Committee and the Committee of the Regions, the Commission has reduced the establishment plan of the Committee by 12 posts together with the corresponding appropriations (- EUR 1,2 million)⁶⁴;
 - Overall, this leads to an increase in the Committee's 2017 budget request of 1,0 % compared to 2016, down from the 2,4 % increase originally requested by the Committee.
- Committee of the Regions:
 - The Committee's initial request is revised downwards by applying a nominal freeze to non-salary related expenditure (-EUR 0,7 million). As in the case of the European Economic and Social Committee, in order to ensure full compliance with the principle of budget neutrality of the cooperation agreement mentioned above, the Commission has reduced the establishment plan of the Committee by 8 posts together with the corresponding appropriations (- EUR 0,8 million). Moreover, the Commission has integrated the reduction of appropriations (- EUR 23 577) following the modification of the Committee's establishment plan in 2016.
 - Overall, this leads to an increase in the Committee's 2017 budget request of 1,6 % compared to 2016, down from the 3,5 % increase originally requested by the Committee

The Commission has integrated the original draft estimates of expenditure received from the following institutions, without any changes:

- The Council, the European Court of Auditors, the Court of Justice, the European Ombudsman and the European External Action Service presented statements of estimates in line with the budgetary guidelines established by the Commission.
- The increase for the European Data Protection Supervisor (EUR 1,9 million) is structural in nature, since it is almost entirely due to the ongoing setting-up of the independent secretariat to be provided by the EDPS to the European Data Protection Board⁶⁵, entailing a request for three additional posts, and the Europol Regulation⁶⁶ which tasks the EDPS with the data protection supervision of this agency as from 2017 and with providing the Secretariat of the Cooperation Board, entailing a request for six additional posts.

⁶⁴ In the context of the cooperation agreement signed in 2013, 80 posts were added to the establishment plan of the European Parliament in 2014. To date, the establishment plan of the Economic and Social Committee has been reduced by 36 posts and the one of the Committee of the Regions by 24 posts. At this stage, however, no equivalent reduction has been included in the establishment plans of the Committees for the remaining 20 posts.

⁶⁵ OJ L 119, 4.5.2016, p. 1.

⁶⁶ OJ L 135, 24.5.2016, p. 53.

- The increase for the European Parliament (EUR 62,2 million) includes EUR 49 million of exceptional security-related expenditure and the internalisation of drivers. The Parliament will integrate a reduction of 60 posts equivalent to the 2017 tranche of the 5 % staff reduction when it takes its reading of the 2017 draft budget. This respects the commitment made by declaration during the conciliation for the 2016 budget. Concerning the 35 additional security-related posts requested by the European Parliament in Draft Amending Budget 3/2016, the institution will need to confirm its intention to maintain these posts during its reading of Draft Budget 2017.

The section below analyses the expenditure request in the Commission section of the general budget (Commission, Offices, pensions and European schools). Detailed justifications for the requests of the other institutions have been provided to the European Parliament and the Council directly by each institution concerned, in their respective statements of estimates.

4.6.3 Commission administrative expenditure

Continuing the rigorous approach followed in recent years, the Commission has again thoroughly assessed its budget request for its own administrative appropriations (excluding pensions and European schools) for 2017. As a result, the Commission's administrative expenditure (excluding the costs of the JMO building relocation and the phasing-out of the Irish derogation) shows an increase of 2,5 %. Taking into account the impact of the 2015 salary update in the 2016 budget, which was higher than estimated, the increase is 1,6 %, i.e. stable in real terms compared to 2016 (the forecast level of inflation is estimated at 1,5 % in Brussels and 1,7 % in Luxembourg).

Expenditure for staff remuneration accounts for more than two thirds of the Commission administrative expenditure. Given this fact, the Commission has achieved this limited increase by reducing the number of authorised posts in its establishment plan, limiting to 2,3 % the increase in appropriations for external staff and by significant nominal reductions in the appropriations concerning other types of expenditure, all of which offset the increases in expenditure from statutory and contractual obligations. As a result, even after incorporating the impact of the additional appropriations related to security measures (EUR 4,9 million), the Commission has globally decreased all non-salary related expenditure by 0,7 % and only requests additional appropriations to cover the impact of the phasing-out of the Irish derogation (EUR 1,1 million) and the JMO building relocation (EUR 24,0 million).

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

(in EUR, at current prices)

Type of expenditure		Budget 2016	DB 2017	Difference 2017 – 2016	
Staff remunerations	Remuneration and normal entitlement (with Croatia)	2 200 223 000	2 287 128 000	3,9 %	86 885 000
	Excluding JMO relocation & Irish derogation			3,9 %	
	External staff (CEOS, SNE, Agency staff, Social)	206 294 000	210 961 000	2,3 %	4 667 000
Sub-total		2 406 517 000	2 498 089 000	3,8 %	91 572 000
Sub-total (excluding Irish derogation impact & JMO relocation costs)		2 406 517 000	2 497 490 000	3,8 %	90 973 000
Members	Members (salaries and allowances)	13 889 000	14 137 000	1,8 %	248 000
	Members (temporary allowances)	3 434 000	2 825 000	-17,7 %	-609 000
		17 323 000	16 962 000	-2,1 %	-361 000
Other Staff expenditure	Recruitment costs	27 846 000	27 990 000	0,5 %	144 000
	Excluding JMO relocation & Irish derogation			-0,8 %	
	Termination of service	3 411 000	4 091 000	19,9 %	680 000
	Training costs	21 056 000	20 502 755	-2,6 %	-553 245
	Social	13 783 000	14 042 000	1,9 %	259 000
	Excluding JMO relocation & Irish derogation			-0,5 %	
		66 096 000	66 625 755	0,8 %	529 755
External	IT services	65 985 000	67 203 500	1,8 %	1 218 500
	Excluding JMO relocation & Irish derogation			0,0 %	

Type of expenditure		Budget 2016	DB 2017	Difference 2017 – 2016	
	Linguistic external services	33 651 000	32 768 245	-2,6 %	-882 755
	<i>Excluding JMO relocation & Irish derogation</i>			-2,8 %	
		99 636 000	99 971 745	0,3 %	335 745
Rent, purchase and linked to buildings	Rent and purchases	312 218 000	313 293 000	0,3 %	1 075 000
	<i>Excluding JMO relocation & Irish derogation</i>			-2,4 %	
	linked to buildings	100 187 000	111 569 500	11,4 %	11 382 500
	<i>Excluding JMO relocation & Irish derogation</i>			3,4 %	
	Security	65 588 000	70 500 500	7,5 %	4 912 500
	<i>Excluding JMO relocation & Irish derogation</i>			1,0 %	
		477 993 000	495 363 000	3,6 %	17 370 000
Meeting people	Mission and representation	65 263 000	65 195 000	-0,1 %	-68 000
	Meetings, committees, conferences	39 752 000	39 142 000	-1,5 %	-610 000
		105 015 000	104 337 000	-0,6 %	-678 000
Information	Official Journal	6 719 000	6 430 000	-4,3 %	-289 000
	Publications	14 049 000	13 789 000	-1,9 %	-260 000
	Acquisition of information	5 024 000	4 996 000	-0,6 %	-28 000
	Studies & investigations	7 790 000	7 790 000	0,0 %	0
		33 582 000	33 005 000	-1,7 %	-577 000
General administrative expenditure	General equipment, vehicle, furniture	17 183 000	17 524 800	2,0 %	341 800
	IT hardware and information systems	94 471 000	98 985 500	4,8 %	4 514 500
	<i>Excluding JMO relocation & Irish derogation</i>			2,8 %	
	Other administrative expenditure	36 957 000	32 960 500	-10,8 %	-3 996 500
	Mobility	2 156 200	2 186 900	1,4 %	30 700
		150 767 200	151 657 700	0,6 %	890 500
Sub-total		950 412 200	967 922 200	1,8 %	17 510 000
<i>Sub-total (excluding Irish derogation impact & JMO relocation costs)</i>		<i>946 365 200</i>	<i>939 373 200</i>	<i>-0,7 %</i>	<i>-6 992 000</i>
COMMISSION		3 356 929 200	3 466 011 200	3,2%	109 082 000
<i>COMMISSION (excluding Irish derogation impact & JMO relocation costs)</i>		<i>3 352 882 200</i>	<i>3 436 863 200</i>	<i>2,5%</i>	<i>83 981 000</i>
European schools (Commission) ⁽¹⁾		175 140 480	185 184 156	5,7%	10 043 676
Pensions		1 640 510 000	1 770 780 000	7,9%	130 270 000
Staff Pensions		1 618 958 000	1 745 960 000	7,8%	127 002 000
Pensions of former Members		21 552 000	24 820 000	15,2%	3 268 000
Sub-total		1 815 650 480	1 955 964 156	7,7%	140 313 676
TOTAL Section III		5 172 579 680	5 421 975 356	4,8%	249 395 676

(1) Including an amount of EUR 4 664 253 placed in reserve (under budget line 40 01 40) for the European School in Frankfurt (DE).

The increase in total appropriations for the Commission, pensions and European schools (Section III) is **4,8 %**, of which:

- **Commission's administrative appropriations: + 3,2 %**

- Appropriations for staff remunerations increase by 3,8 %. This increase includes the additional needs relating to the higher than estimated salary update as of 1 July 2015 of 2,4 %, which had been included in the 2016 budget at a rate of 1,2 %. The 2017 draft budget takes into account the estimated salary update at the end of 2016 (+2,1 %) and at the end of 2017 (+1,8 % on a six months basis).
- Appropriations relating to external staff (regulated by the 'Conditions of employment of other servants' and related social security expenditure, Seconded National Experts and Agency staff and related social security expenditure) increase by 2,3 %.

- Decrease of 0,7 % compared to the 2016 level of non-salary administrative appropriations (+1,8 % when including the impact of the JMO relocation and the phasing out of the Irish derogation), with different evolutions depending on the particular needs. The significant increase in security expenditure to enhance the security of staff and premises and the increase in expenditure needed for the renovation of buildings are offset by considerable savings in other types of expenditure (training, meetings, linguistic external services, meetings, committees and conferences, stationery and office supplies, postal charges, telecommunication charges, Official Journal and publications).
- **Pensions: +7,9 %**

For **staff pensions**, the 7,8 % increase in appropriations results from the growing number of pensioners expected (+ 3,5 %), the additional needs relating to the higher than estimated salary update as of 1 July 2015 of 2,4 %, which had been included in the 2016 budget at a rate of 1,2 % and the annual adjustments estimated at the end of 2016 (+2,1 %) and at the end of 2017 (+1,8 % on a six months basis).

An increase of EUR 16,4 million is also due to a higher number of beneficiaries transferring their acquired pension rights from the EU pension scheme (mainly temporary agents, contractual agents and accredited parliamentary assistants) to outside pension schemes.

For pensions relating to **former Members of the Institutions**, the increase in appropriations results from the growing number of pensioners expected (+11,6 %) and the annual update (2016 and 2017).

- **European schools: + 5,7 %**

The appropriations for the contribution to the European schools ('Type I'⁶⁷, EUR 184,4 million) show an increase of 5,7 % as compared to 2016 (EUR 174,4 million). This evolution is mainly explained by higher expenses related to personnel costs (including the additional needs relating to the higher than estimated salary update, additional expenditure for security) and by an increase in the number of pupils, in particular in the European schools in Frankfurt and Luxembourg.

The full reimbursement of the EU contribution to the financing of the school in Alicante by the 'European Union Intellectual Property Office' (EUIPO, formerly OHIM) will not take place in 2017; it is maintained at around 50 % (EUR 3,9 million) of the estimated contribution, as in 2016. The European Investment Bank (EIB) the European Investment Fund (EIF) and the European Stability Mechanism (ESM) signed an agreement to finance 50 % of the contribution due for the children of their staff attending the schools in Luxembourg (Luxembourg I and II) and negotiations are ongoing with the European Central Bank (ECB) and the European Insurance and Occupational Pensions Authority (EIOPA) to reach a similar agreement for the school in Frankfurt which offers a service to their staff. Therefore, the Commission proposes to put 50 % of the contribution from ECB and EIOPA in the administrative reserve of the Commission's budget.

The contribution to the 'Type II' European schools amounts to EUR 0,8 million. The increase by 9,6 % as compared to 2016 (EUR 0,7 million) results from the 9,6 % increase in the number of pupils.

⁶⁷ European schools 'Type I' are dedicated European schools, whereas 'Type II' European schools are national schools which offer a curriculum equivalent to European schools.

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

(in EUR, at current prices)

Offices	Budget	DB	Difference	
	2016	2017	2017 – 2016	
Publications Office	79 303 200	82 133 200	3,6%	2 830 000
European Anti-Fraud Office (OLAF)	57 975 500	59 491 500	2,6%	1 516 000
European Personnel Selection Office, including the European School of Administration (EUSA)	26 430 000	26 557 000	0,5%	127 000
Office for the Administration and Payment of Individual Entitlements	38 399 500	38 519 500	0,3%	120 000
Office for Infrastructure and Logistics in Brussels	68 440 000	67 805 000	-0,9%	-635 000
Office for Infrastructure and Logistics in Luxembourg	23 658 000	24 234 000	2,4%	576 000
Total	294 206 200	298 740 200	1,5%	4 534 000

The same cost-containment objectives as in the Commission's central administration are applied to all the administrative offices. This has kept the global expenditure stable in real terms (+1,5 %) compared to 2016. It takes into account the 1 % staff reduction and is mainly explained by the additional needs relating to the higher than estimated salary update of 2015, the transfer of posts between services or redeployments to serve the Commission's priorities, and by the impact of the transformation of a number of posts into appropriations for contract agents.

In addition, the statement of estimates of the Publication Office (OP) and the Office for Infrastructure and Logistics in Brussels (OIB) take into account a rebalancing of their salary appropriations. The statement of estimates of the European Selection Office (EPSO), including the European School of Administration (EUSA), reduces expenditure related to their operational activities.

The expenditure related to the Supervisory Committee of the European Anti-fraud Office (OLAF) and its secretariat has been transferred from OLAF's budget into the Commission's section.

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

(in EUR, at current prices)

	Budget	DB	Difference	
	2016	2017	2017 – 2016	
Delegations (Commission's part, non EEAS)	159 882 000	165 610 000	3,6%	5 728 000
Representation offices (external + infrastructure)	43 029 000	43 283 000	0,6%	254 000
Total	202 911 000	208 893 000	2,9%	5 982 000

The reduction of the Commission's establishment plan posts by 1 % has also been applied to Delegations in third countries. The additional needs relating to the higher than estimated salary update of 2015 and the same cost-containment objectives as in the Commission's Headquarters administration also apply to Delegations. In addition, further savings are expected in infrastructure and training expenditure. These elements lead to an overall increase in Delegations' expenditure by 3,6 %.

The Commission has applied the same cost reduction objectives to the representation offices in Member States as it applies to its central administration, as well as a continued rationalisation effort. A slight decrease (-0,2 %) of the infrastructure expenditure of the Representation offices has helped to contain the overall slight increase in appropriations of 0,6 %.

4.7 Special instruments

A number of special instruments are foreseen in chapter 2 of the MFF Regulation to respond to exceptional circumstances, whether internal or external. The related appropriations are placed outside the expenditure ceilings of the multiannual financial framework, both in commitments and payments. The payment appropriations of special instruments to be counted outside the payment ceilings still need to be agreed⁶⁸.

4.7.1 Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

Instruments providing commitment and payment appropriations	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016 ⁽¹⁾		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Emergency Aid Reserve (EAR)	309,0	309,0	315,0	315,0	30,1%	50,8%	6,0	6,0	1,9%	1,9%
— European Globalisation Adjustment Fund (EGF)	165,6	30,0	168,9	55,0	16,1%	8,9%	3,3	25,0	2,0%	83,3%
— European Union Solidarity Fund (EUSF)	50,0	50,0	563,0	250,0	53,8%	40,3%	513,0	200,0	1026,0%	400,0%
— Of which advances	50,0	50,0	50,0	50,0	8,9%	20,0%			0,0%	0,0%
— Of which in reserve			513,0	200,0	91,1%	80,0%	513,0	200,0	0,0%	0,0%
Total	524,6	389,0	1 046,9	620,0	100,0%	100,0%	522,3	231,0	99,6%	59,4%

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

(in million EUR, rounded figures at current prices)

Instruments offering flexibility in comparison with ceilings	Budget		Draft budget (DB)		Share		Difference		Difference	
	2016 ⁽¹⁾		2017				2017 – 2016		2017 / 2016	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Flexibility Instrument	1 530,0	832,8	530,0	981,1	17,9%	100,0%	-1 000,0	148,3	-65,4%	17,8%
— Global margin for commitments	543,0		1 265,0		42,7%		722,0		133,0%	
— Contingency Margin	0,0	0,0	1 164,4	0,0	39,3%	0,0%	1 164,4	0,0	100,0%	0,0%
Total	2 073,0	832,8	2 959,4	981,1	100,0%	100,0%	886,4	148,3	42,8%	17,8%

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

4.7.2 Emergency Aid Reserve

The Emergency Aid Reserve (EAR) allows for a rapid response to specific aid requirements of third countries following events which could not be foreseen when the budget was established. It is to be used first and foremost for humanitarian operations, but also for civilian crisis management and protection. From 2014 onwards, it also covers situations of particular pressure resulting from migratory flows at the Union's external borders where circumstances so require.

The level of EAR commitment appropriations for 2017 amounts to EUR 315,0 million. Given the unpredictability of crises and to ensure the Commission's capacity to respond rapidly to any urgent crisis, the Commission proposes to set the level of EAR payment appropriations at EUR 315,0 million.

4.7.3 European Globalisation Adjustment Fund

The European Globalisation Adjustment Fund (EGF) provides support to workers who have lost their jobs as a result of major structural changes in world trade patterns due to globalisation, above a given threshold, e.g. when a large company shuts down or production is moved outside the EU.

⁶⁸ As part of the agreement reached on the 2014 and 2015 budgets in December 2014 (European Parliament resolution of 17 December 2014 on the Council position on the new draft general budget of the European Union for the financial year 2015 (16739/2014 – C8-0287/2014 – 2014/2224(BUD)), the three institutions agreed upon a joint statement on special instruments to endeavour to find a rapid agreement on whether and to what extent other special instruments may be mobilised over and above the MFF ceilings for payments.

The EGF is set at EUR 168,9 million in commitment appropriations. In order to be able to respond more rapidly to new cases, the Commission proposes to enter a conservative amount of EUR 55,0 million in payment appropriations in the draft budget.

4.7.4 European Union Solidarity Fund

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

In accordance with the conditions of eligibility to the EU Solidarity Fund as detailed in Regulation (EU) No 661/2014⁶⁹, the Commission proposes to enter in the draft budget an amount of EUR 50 million in both commitment and payment appropriations for the EUSF as a source of pre-financing⁷⁰.

It is also proposed to enter an amount of EUR 450 million in commitment and EUR 200 million in payment appropriations in the draft budget as a reserve to allow for the EUSF mobilisation via transfers from the reserve simultaneously with the mobilisation decision of the European Parliament and the Council. The purpose of this new approach is to reduce the need for amending budgets for up to the level of appropriations put in reserve and thus to accelerate the EUSF mobilisation process.

4.7.5 Flexibility Instrument

The Flexibility Instrument is intended to allow the financing of clearly identified expenditure which could not be financed within the limits available for one or more headings. In the draft budget, the Commission proposes to mobilise the Flexibility Instrument for an amount of EUR 530,0 million (corresponding to the full amount available for 2017) to provide additional funding under heading 3⁷¹.

4.7.6 Contingency Margin

The Contingency Margin is a last-resort instrument to react to unforeseen circumstances. As explained in section 3.2, the Commission proposes to mobilise the Contingency Margin for a total amount of EUR 1 164,4 million to reinforce the migration-related expenditure of heading 3⁷². The Commission proposes to offset this amount during 2017 by a combined freezing of amounts available under the ceilings of heading 2 and heading 5, for amounts of EUR -650,0 million and EUR -514,4 million respectively.

4.7.7 Global Margin for Commitments

The Global Margin for Commitments consists of margins left available under the MFF ceilings for commitment appropriations for the years 2014-2017, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment.

In the technical adjustment of the MFF⁷³ the Commission has calculated the amount available for the Global Margin for Commitments. Of the amount available in 2017 stemming from the unused margins of the year 2015 of EUR 1 439,1 million, the Commission proposes to use EUR 1 265,0 million in the draft budget for 2017 to complement the proposed financing of the European Fund for Strategic Investments (EFSI), as agreed in the Regulation establishing the EFSI⁷⁴

⁶⁹ OJ L 189, 27.6.2014.

⁷⁰ COM(2016) 312, 30.6.2016.

⁷¹ COM(2016) 313, 30.6.2016.

⁷² COM(2016) 314, 30.6.2016.

⁷³ COM(2016) 311, 30.6.2016.

⁷⁴ Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal.

5 HORIZONTAL ISSUES

This section presents the following five horizontal issues for the 2017 draft budget:

- An overview of the proposed level of payment appropriations and the evolution of the backlog of unpaid bills: this section provides justifications for the request for payment appropriations, broken down by groups of spending programmes, as well as an explanation of how the draft budget leads to the reduction of the backlog of outstanding payment claims for the 2007-2013 programmes at the end of 2016, as required by the joint statement on a ‘payment plan’ agreed by the three institutions as part of the agreement on the 2014 and 2015 budgets;
- Human resources by institution, notably as regards progress made towards the achievement of the 5 % staff reduction over 5 years laid down in point 27 of the Interinstitutional Agreement (IIA) of 2 December 2013;
- Support expenditure outside heading 5: budget lines for technical and administrative assistance, including expenditure for administrative management under the Research budget and other expenditure headings;
- Bodies set up by the European Union and having legal personality: decentralised agencies, joint undertakings and joint technology initiatives, the European institute of innovation and technology (EIT) and executive agencies;
- Actions without a specific basic act: this concerns notably programmes, activities and decentralised agencies for which the basic act is currently outstanding, pilot projects and preparatory actions, and actions financed under the institutional prerogatives of the Commission.

5.1 Overview of the proposed level of payments and evolution of the backlog of outstanding payment claims

This section sets out the Commission's request for payment appropriations in the 2017 draft budget (DB), on the basis of the implementation profile of spending programmes and provisions in the respective legal bases. Moreover, it follows up on requirements established in the joint statement on the so-called 'payment plan' agreed by the European Parliament and the Council in May 2015, according to which the Commission is expected to accompany the draft budget by an evaluation of the needs for payment appropriations with a special emphasis on the level of outstanding payment claims.

5.1.1 Justification of payment appropriations requested by groups of programmes

Non-differentiated expenditure, for which commitment and payment appropriations are budgeted at the same level, accounts for EUR 54,0 billion or 40,6 % of proposed total payment appropriations. Examples include the European Agricultural Guarantee Fund (EAGF) and administrative expenditure. Spending programmes with differentiated appropriations under the headings 1a, 1b, 2, 3 and 4, account for EUR 79,0 billion or 59,4 % of total payments, and can be grouped into three main categories:

1. Programmes with a fast disbursement profile, where commitments lead to substantial payments in the same year or the first two years, thereby leading to a relatively low level of outstanding commitments. These programmes have an implementation profile similar to non-differentiated appropriations, often using delegation agreements and/or with significant pre-financing. This group includes programmes with almost annual cycle, such as Erasmus+, the international fisheries agreements and humanitarian aid. Likewise, programmes linked to the internal aspects of the migration crisis are in this category because of the need for quick disbursement for the emergency measures.
2. Programmes with an annual work-programme and a project-cycle of pre-financing, interim payments and final payments spread over a limited number of years, with outstanding commitments (*reste à liquider*, 'RAL') representing around half of the annual payment requirements. These programmes include Horizon 2020, the European Fund for Strategic Investments (EFSI) because of its specific payment pattern and some programmes managed through a delegation agreement such as Galileo.
3. Multi-annual programmes covering the whole programming period, such as the European regional development fund, the European social fund, rural development, the fisheries fund. These programmes are mostly based on annual instalments of commitments, which are followed by pre-financing, interim payments and final payments at closure. Nearly all the payments are used to settle the oldest outstanding commitments (RAL). This is also the case for some programmes of heading 4 such as the Instrument for Pre-accession Assistance (IPA).

The sections below describe the main programmes/actions in each of these three categories, covering all programmes for which the Commission requests more than EUR 500 million in payment appropriations in the 2017 DB.

The tables provide an overview of the level of RAL at the start of 2016, the commitment appropriations (CA) requested in the 2017 DB, as well as the payment appropriations (PA), broken down (in percentage terms) between payments on commitments for the year 2017, payments on commitments for the year 2016, and payments on the RAL. The table also indicates the share of the payment appropriations expected to be spent on pre-financing, interim payment and closure / final payments.

5.1.1.1 Programmes with a fast disbursement profile

Programmes with a fast disbursement profile are programmes where commitments lead to substantial payments in the same year or the first two years (≥ 60 % of the payment requested are paid on commitments 2016 and/or 2017), thereby leading to a relatively low level of outstanding commitments. This also includes the European Agricultural Guarantee Fund (EAGF) where appropriations are non-differentiated.

(in million EUR, at current prices)

Programmes	RAL at the start of 2016	DB 2017		Breakdown of PA in DB 2017 by year of commitments			Breakdown of PA in DB 2017 by type of payments		
		CA	PA	% on RAL	% on CA 2016	% on CA 2017	% on pre-financing	% on interim	% on final/closure
1.1.13 European Earth Observation Programme (Copernicus)	194,4	607,4	696,8	2 %	25 %	73 %	1 %	96 %	3 %
1.1.5 Education, Training and Sport (Erasmus+)	736,7	2 014,2	1 886,9	7 %	10 %	83 %	96 %	1 %	3 %
1.1.83 Connecting Europe Facility (CEF) – Information and Communications Technology (ICT)	158,3	124,5	118,4	30 %	61 %	9 %	24 %	26 %	50 %
1.2.4 European Aid to the Most Deprived (FEAD)	583,4	546,3	441,4	28 %	72 %	0 %	0 %	100 %	0 %
2.0.32 Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and to other international organisations	24,6	138,4	133,4	4 %	4 %	92 %	0 %	0 %	100 %
3.0.1 Asylum, Migration and Integration Fund	978,2	1 621,6	1 183,4	12 %	66 %	22 %	22 %	66 %	12 %
3.0.2 Internal Security Fund	980,7	738,6	747,7	25 %	33 %	42 %	42 %	33 %	25 %
3.0.8 Food and feed	346,7	256,2	234,5	16 %	74 %	11 %	2 %	23 %	75 %
3.0.11 Creative Europe	166,7	206,9	176,1	28 %	17 %	55 %	60 %	0 %	40 %
3.0.12 Instrument for emergency support within the Union	0,0	200,0	219,0	0 %	0 %	100 %	100 %	0 %	0 %
4.0.7 Humanitarian aid (HUMA)	741,0	945,4	1 145,8	17 %	17 %	66 %	60 %	0 %	40 %
4.0.8 Common Foreign and Security Policy (CFSP)	236,6	333,9	297,2	5 %	31 %	61 %	99 %	0 %	1 %

Around 73 % of the payment appropriations requested for the **European Earth Observation Programme (Copernicus)** are used to pay commitments for the year, in relation to pre-financing for the European Space Agency (ESA), the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) as well as the Space Surveillance and Tracking (SST) framework. The remainder is paid the following year, which explains the low level of outstanding commitments. For the contract with ESA, 2016 and 2017 are important years in terms of the costs incurred under the delegation agreement, since all major contracts have been signed with industry and the construction of the programmed satellites is well underway. In 2017 the development of the Copernicus Services will enter into a phase where production from service components, which were procured during 2015 and gradually put into operation in 2016, will reach full capacity.

More than 75 % of the payment appropriations requested for **Erasmus +** are related to commitments of the year: national agencies receive an initial pre-financing of 70 % and the remaining 30 % balance when consumption reaches 85 %. The proposed 2017 level of payment takes into account an increase of 16 % in 2017 commitment appropriation compared to 2016, as foreseen by the financial programming, and the expected RAL at the end of the 2016 financial year.

The payments for the **Telecommunication networks** strand of the **Connecting Europe Facility (CEF-ICT)** cover grants and contracts for digital service infrastructure and the CEF financial instrument support for broadband infrastructure. In 2017 in particular, more than half of the payment appropriations will cover payment requests for grants and contracts concluded in 2016.

While programmed over a seven-year period with automatic commitments (as the ESI Funds as set out below) and managed by the Member States under shared management, the measures financed by the **Fund for**

European Aid to the Most Deprived (FEAD) imply an annual call for proposals by the Member States. Accordingly, payments follow closely the level of commitments but with a delay of one year (payments in 2017 will cover mostly commitments of 2016).

Almost all the commitments related to the **International Fisheries Agreements** are followed by payments for the same amount. In practice, these agreements are similar to measures financed by non-differentiated appropriations.

The 2017 payments for the 2014-2020 programmes of the **Asylum, Migration and Integration Fund** (AMIF) will be used to cover both pre-financing (at 80 %) of the 'Emergency actions' part managed by the Commission, and the part of the AMIF under shared management with the Member States including the various reinforcements such as for relocation and resettlement. About 20 % of the payment appropriations requested in 2017 will be used for pre-financing on the commitments 2017. Around 65 % of the payment appropriations will be used for paying interim payment on commitments 2016. Payments on the 2007-2013 programmes will represent 13 % of the payment appropriations and will allow for 50 % of the remaining RAL of these programmes to be paid.

About 40 % of the payment appropriations requested for the **Internal Security Fund** (ISF) in 2017 will be used for pre-financing 2017 commitments. Some pre-financing is also planned for emergency actions directly managed by the Commission. A quarter of the payment appropriations requested for 2017 covers the needs for the closure of the External Borders Fund of the 2007-2013 period. The rest will be used for paying interim payments on 2016 commitments.

For the **Food and feed** programme, a pre-financing for the EU Reference Laboratories is paid on commitments of the year. In addition, interim payments are planned for grant agreements and procurement contracts signed in the year as well as payments for emergency measures. Most of the payments, however, are closure payments related to the eradication measures of 2016. Finally, there are also closure payments for the eradication programmes of 2015 as well as for the plant health measures and for official control.

Creative Europe is also managed on an annual basis. Pre-financing often covers between 40 % and 80 % of the commitments, and the remainder is paid when the pre-financing has largely been used. In addition, from 2016 onwards the implementation of the Cultural and Creative Sector Guarantee Facility, in particular for small and medium-sized enterprises (SMEs) will kick off, for which payments are nearly equal to the level of commitments of the year.

The management mode of the **Emergency support within the Union** as well as **Humanitarian aid** implies that a high level of pre-financing for emergency actions related to a crisis is paid immediately after the commitments are made, so as to allow the organisation in charge of the operations on the ground to provide the necessary assistance. Final payments follow very quickly due to the short cycle of the operations.

A large part of the funding for the **Common Foreign and Security Policy** (CFSP) is implemented through delegation agreements or grants with the Common Security and Defence Policy (CSDP) missions, EU Special Representatives) EUSRs and international organisations or national agencies. Consequently, substantial pre-financing is paid in the first year, with additional pre-financing in the following year.

5.1.1.2 Programmes with cycle of pre-financing, interim payments and final payments spread over a limited number of years

Payment appropriations for programmes in this category will be used to pay the RAL originated in 2015 and previous years, with the rest covering the 2016 and 2017 commitments. These include Horizon 2020, EFSI, Galileo and ITER.

(in million EUR, at current prices)

Programmes	RAL at the start of 2016	DB 2017		Breakdown of PA in DB 2017 by year of commitments			Breakdown of PA in DB 2017 by type of payments		
		CA	PA	% on RAL	% on CA 2016	% on CA 2017	% on pre-financing	% on interim	% on final/closure
1.1.11 European satellite navigation systems (EGNOS and Galileo)	917,8	897,5	687,5	55 %	45 %	0 %	0 %	94 %	6 %
1.1.12 International Thermonuclear Experimental Reactor (ITER)	2 371,6	322,7	426,3	58 %	17 %	25 %	18 %	38 %	44 %
1.1.31 Horizon 2020	20 358,6	10 295,9	10 189,4	49 %	26 %	26 %	41 %	40 %	19 %
1.1.4 Competitiveness of enterprises and small and medium-sized enterprises (COSME)	814,1	299,3	369,2	56 %	31 %	13 %	21 %	34 %	45 %
1.1.10 European Fund for Strategic Investments (EFSI)	1 356,9	2 661,0	2 316,8	47 %	53 %	0 %	0 %	0 %	100 %
2.0.20 European Agricultural Fund for Rural Development (EAFRD)	24 641,4	14 365,5	11 208,5	96 %	4 %	0 %	0 %	89 %	11 %
4.0.2 European Neighbourhood Instrument (ENI)	7 363,9	2 187,1	2 294,1	62 %	14 %	23 %	21 %	45 %	34 %
4.0.6 Instrument contributing to Stability and Peace (IcSP)	639,7	273,3	294,2	51 %	27 %	22 %	45 %	26 %	29 %

The European satellite navigation systems (**EGNOS and Galileo**) are mainly implemented through delegation agreements with the European Space Agency (ESA), for the deployment of Galileo and with the European GNSS Agency (GSA) for EGNOS and Galileo operations. For Galileo, payments in 2017 are related to the deployment of additional satellites (EUR 80 million) and the payment still needed for the Ground Mission Segment and Operations (EUR 150 million). The new contracts for the exploitation of the Galileo service will require payments of about EUR 220 million, on top of the EUR 50 million of ongoing contracts. For EGNOS, the payment appropriations needed are about EUR 150 million. The rest of the request is related to the completion line.

About 40 % of the payment appropriations for the **International Thermonuclear Experimental Reactor (ITER)** in 2017 are planned to be used for payments related to the ITER construction projects which were started in the previous financial period, so as to avoid delays of interim and final payments for the ongoing projects and to ensure the smooth implementation of the ITER projects vis-à-vis ITER international partners. The remaining payments will cover the running costs of the Fusion for Energy (F4E) Joint Undertaking (on 2017 commitments) as well as the pre-financing of 2016 and 2017 commitments.

For indirect research activities, **Horizon 2020** uses annual, bi-annual and open calls for proposal with an implementation cycle varying from 18 months to 7 years. The signature of the contracts leads to a pre-financing ranging between 20 % and 80 % (on average 45 %), which is mandatory to allow consortia including small and medium-sized enterprises (SMEs) or universities with low financing capabilities, to participate. Contracts last from 9 months to 5 years, depending on the activity and the project, and lead to interim payments and a final payment at closure. 'Final payments' normally also include other payments such as payments on Financial instruments, payments related to procurement and to experts, payments to article 185 bodies and to Joint Undertakings (JUs) and payments for direct research activities. The level of payment appropriations for 2017 is relatively stable in comparison with 2016 (+1,2 %) although the level of commitments increases by 7,9 % as additional payment appropriations were needed in 2016 to reduce the accumulated backlog from previous years.

Pre-financing on 2016 and 2017 commitments accounts for about 20 % each of the differentiated payment appropriations requested for 2017, with almost another 20 % related to payments on 2007-2013 programmes (FP7). Payment appropriations of the JUs represent about 6 %.

Part of the payments for Competitiveness of enterprises and SMEs (**COSME**) will be used for the pre-financing of the 2017 commitments of the COSME network and COSME Actions (EUR 45 million). A similar amount (EUR 50 million) will be paid on the 2016 commitments for these actions and about EUR 60 million for the actions related to improving access to finance for small and medium-sized enterprises in the form of equity and debt. The rest of the request (EUR 100 million) will cover payments on commitments made before 2016.

The payment appropriations requested for the **European Fund for Strategic Investments** (EFSI) are based on the payment schedule for the provisioning of the Guarantee Fund. However, an additional amount of EUR 500 million has been added to cover the frontloading of the risk because of the frontloading of the SME window in the fund. These payments correspond to the 2015 and 2016 commitment tranches.

The **European Agricultural Fund for Rural Development** (EAFRD) programme covers both annual measures and multi-annual programmes based on a programming logic common to all the European Structural Investment Funds (see next point : multi-annual programmes). The payment appropriations requested for 2017 cover the financing of the annual measures at cruising speed, for an amount of some EUR 6,5 billion, as well as interim payments for the multi-annual programmes according to a profile based on the previous period, adjusted however to take into account the specificity of the 2014-2020 legal bases, such as the replacement of the 'n+2' decommitment rule by an 'n+3' rule, as well as to take account of the late adoption of the operational programmes.

Important payments for the **European Neighbourhood Instrument** (ENI) are made on the commitments of the year, either as pre-financing or even as interim payments. This is in particular the case for the assistance to Palestine: 100 % of the funds paid for the PEGASE mechanism to channel financial assistance to the Palestinian Authority's budget and 95 % of the funding for the United Nations Relief and Works Agency (UNRWA) are paid the same year as they are committed. Payments made on the commitments of 2016 represent some 14 % of the commitments (mostly pre-financing and some interim payments). This also includes the payments for Erasmus+. Finally, 43 % of the payment appropriations requested will be made on the outstanding commitments of the 2007-2013 period, which on average takes some six years to be cleared.

Payment appropriations requested for the Instrument contributing to Stability and Peace (**IcSP**) correspond to a pre-financing of about 40-50 % of contracts signed to be signed in 2016 and 2017. The rest of the payment appropriations will be used to make interim and closure payments.

5.1.1.3 Multi-annual programmes

Large programmes, such as those within Cohesion policy, rural development, the fisheries fund and the Instrument for Pre-accession Assistance (IPA), do not necessarily undergo a cycle of yearly calls for proposals, but rather a multi-annual cycle of spending. Rural development follows the same rules for its multi-annual programming part but has also a strong annual component.

(in million EUR, at current prices)

Programmes	RAL at the start of 2016	DB 2017		Breakdown of PA in DB 2017 by year of commitments			Breakdown of PA in DB 2017 by type of payments		
		CA	PA	% on RAL	% on CA 2016	% on CA 2017	% on pre-financing	% on interim	% on final/closure
1.1.81 Connecting Europe Facility (CEF) – Energy	801,6	739,4	130,4	65 %	35 %	0 %	34 %	28 %	38 %
1.1.82 Connecting Europe Facility (CEF) – Transport	3 507,9	1 672,8	969,9	55 %	44 %	1 %	4 %	54 %	42 %
1.2.11 Regional convergence (Less developed regions)	69 135,1	26 121,9	19 314,9	97 %	3 %	0 %	25 %	68 %	7 %
1.2.12 Transition regions	8 873,3	5 627,2	3 324,0	96 %	4 %	0 %	27 %	73 %	0 %
1.2.13 Competitiveness (More developed regions)	19 156,5	8 251,5	5 896,4	96 %	4 %	0 %	25 %	71 %	3 %
1.2.15 Cohesion fund	22 222,8	9 055,8	5 981,3	92 %	8 %	0 %	26 %	69 %	5 %
1.2.5 Youth Employment initiative (specific top-up allocation)	2 141,8	—	600,0	100 %	0 %	0 %	14 %	86 %	0 %
1.2.6 Connecting Europe Facility (CEF) – CF contribution	1 806,4	1 593,3	382,7	95 %	5 %	0 %	5 %	94 %	0 %
2.0.31 European Maritime and Fisheries Fund (EMFF)	2 168,6	911,7	577,4	92 %	5 %	3 %	28 %	64 %	8 %
2.0.4 Environment and climate action (LIFE)	1 266,2	493,7	363,7	58 %	38 %	4 %	41 %	36 %	24 %
4.0.1 Instrument for Pre-accession assistance (IPA II)	5 890,9	2 114,7	1 716,2	76 %	6 %	18 %	28 %	64 %	7 %
4.0.3 Development Cooperation Instrument (DCI)	8 597,8	2 711,5	2 657,8	75 %	18 %	7 %	43 %	36 %	21 %

In line with the CEF Regulation, 90 % of the operational budget of the **Energy** strand of the **Connecting Europe Facility** (CEF-Energy) provides support to energy infrastructure projects in the form of grants for studies or works, with the remaining 10 % allocated to the CEF financial instrument. The grants are awarded following multi-annual calls for proposals, which are published every year. Generally, the actions benefitting from the CEF-Energy financial assistance can be grouped into two categories: 'simple actions' (usually studies) for which the whole allocated amount is committed upon signature of the grant agreement, and 'complex actions' (such as works) for which the grant amount is committed over several years in so-called 'annual instalments'. Depending on the action and on the specific provisions of each individual grant agreement, one or more pre-financing payments may be due. Furthermore, the beneficiaries may be entitled to request interim payments – for 'complex actions' once at least every two years. At the completion of the action, a payment of the balance is due.

In 2017 most of the payments are linked to the grants allocated to projects following the 2015 and 2016 calls for proposal, mostly on pre-financing for the 2016 calls. Payments on 2007-2013 programmes are negligible.

The **Transport** strand of the **Connecting Europe Facility** (CEF-Transport) follows the same management mode as the CEF-Energy strand, with the same distinction between 'complex actions' and 'simple actions'. More than two thirds of the payments relate to the 2014-2020 programmes, and the other third to the closure of the TEN-T programmes of the 2007-2013 period. Most of the payments for the 2014-2020 programme will cover pre-financing and interim payments of the 2016 calls for proposals. Payments related to the TEN-T programmes (2007-2013) will be closure payments based on a forecast model taking into account past experience.

Investment for growth and jobs covers the three main Funds of the Cohesion policy, i.e. the **European Social Fund (ESF)**, the **European Regional Development Fund (ERDF)** and the **Cohesion Fund (CF)**. All these funds apply a model based on operational programmes which are approved for the whole 2014-2020 period. Commitments are made in instalments (tranches), with the first tranche committed on approval of the operational programme and the following ones automatically committed according to the financial programming attached to each operational programme.

Payment appropriations for the period 2014-2020 will cover interim payments and the annual pre-financing for 2017. Annual pre-financing (starting from 2016 onwards) is foreseen at a level of 2,625 % of the total main allocation for the Cohesion policy funds (in relation with an annual clearance exercise). Interim payments reimburse the payments made by the Member States to the beneficiaries taking into account that only 90 % of the payment claims submitted by Member States will be reimbursed, the remaining 10 % being retained for the annual closure process.

As relatively few payment claims are expected to be submitted before the end of June 2016, at the end of the accounting year 2015-2016, the 10 % retained on the payment claims will be significantly lower than the annual pre-financing paid in 2016 (corresponding to 2 % of the main allocation). Therefore, the exercise is expected to generate recoveries resulting in substantial assigned revenue in 2017 and consequently reduce the need for fresh payment appropriations.

Interim payments reflect the 'n+3' automatic decommitment rule set in the legal base, according to which each commitment tranche must be covered by payments within a timeframe of three years after the year of the commitment. They are assigned to the oldest open commitments, which explains the very low percentage of payments assigned to 2016 and 2017 commitments.

Beside the impact of the first annual closure, the other main change in 2017 in comparison with previous years is the relatively low amounts used to pay the 2007-2013 programmes. In the Cohesion policy these payments represent only 7,5 % of the payment request for heading 1b. They represent 11 % of the payment request for European Agricultural Fund for Rural Development (which is expected to complete many programme closures in 2017) and less than 2 % of the amount for the European Maritime and Fisheries Fund as no closure is expected in 2017.

For the **contribution from the Cohesion Fund to CEF-Transport**, the payment appropriations will be used to pay interim payments on 2014 and 2015 RAL.

The payment appropriations requested for the specific co-financing top-up allocation for the **Youth Employment Initiative (YEI)** in 2017 aim to cover the payment claims related to the interim payments. An equivalent amount will be paid from the European Social Fund (ESF).

The **European Maritime and Fisheries Fund (EMFF)** is also an ESI Fund. As for the other ESI Funds, the payments on 2017 commitments include the annual pre-financing foreseen in the legal base at the start of the operational programmes. The fund follows the same rule as the funds of heading 1b for the interim payments and the annual closure. 80,2% of the pre-financing amount and 93,5% of the interim payments amount correspond to the needs for the part of the EMFF in shared management. For measures directly managed by the Commission both pre-financing and interim payments will be paid in 2017, with the majority being paid on 2015-2016 commitments.

For the programme on **Environment and climate action (Life+)** payments are mainly first pre-financing for the 2016 call, second pre-financing for the 2014 calls (and a minor number of 2015 calls) and final payments for NGO grants from the 2015 call. For operating grants the pre-financing is 60 % (year N+1) and 35 % as a final payment (year N+2). For integrated projects the pre-financing is 20 % (year N+1), followed by one or more renewals of pre-financing (20 % each) and a final settlement. This means that agreements concluded in 2015 have a duration of 7 to 9 years. For other action grants, the pre-financing is 30 % (70 % for smaller projects with a duration of less than 2 years) (year N+1), followed by one renewal of pre-financing (40 %) and a final settlement. About 30 % of the request for payment appropriations is related to the 2007-2013 projects.

The support provided under the **Instrument for Pre-accession Assistance (IPA)** prepares candidate and potential candidate countries for the use of structural funds, which is why IPA applies a method of implementation similar to that used for the ESI Funds. In the case of IPA, however, multi-annual programme amounts are indicative and cover only part of the instrument for a shorter period, e.g. three years. Payments on the 2007-2013 programmes represent 37 % of the appropriations requested.

The payments to be made on the 2017 commitments of the **Development Cooperation Instrument (DCI)** are linked to the pre-financing of the legal commitments to be signed in the year. Payments of pre-financing for commitment appropriations of 2016 and previous years will also be made in 2017. 40 % of the payment appropriations foreseen in 2017 relate to the 2007-2013 programme.

5.1.2 Evolution of the backlog of outstanding payment claims

As announced in the report on the active monitoring and forecast of budget implementation disseminated by the Commission on 26 February 2016, the backlog of outstanding payment claims for the 2007-2013 programmes of the Cohesion policy at the end of 2015 was EUR 8,2 billion compared to EUR 24,7 billion a year earlier. The backlog at the end of 2016 is expected to be reduced to some EUR 2 billion.

The level of payment appropriations requested in the DB 2017 for the 2014-2020 Cohesion programmes will be sufficient to avoid building up an 'abnormal' backlog at the end of 2017. Moreover, no significant backlog is expected for the other shared management programmes or for the programmes directly managed by the Commission.

5.2 Human resources

5.2.1 Human resources by institution

The overview table below presents, for each institution, the number of establishment plan posts authorised in the 2016 budget and the number of posts requested in the 2017 draft budget. In particular, the table shows the progress made towards achieving the 5 % staff reduction target over five years applicable to all institutions, agencies and bodies, as agreed in the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management of 2 December 2013 (IIA)⁷⁵.

In their initial budget requests, all institutions (with the exception of the European Data Protection Supervisor (EDPS), which already reached the total 5 % staff reduction in 2016), applied a 1 % reduction in their respective statement of estimates for 2017⁷⁶.

In parallel, the European Parliament (EP), the Council, the Commission, the Court of Justice, the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR) have requested a total of 53 additional posts relating to the phasing-out of the derogation for the Irish language⁷⁷.

Furthermore, the European Data Protection Supervisor (EDPS) has requested a total of nine additional posts, which are structural in nature. Three of these additional posts are related to the ongoing setting-up of the independent secretariat to be provided by the EDPS to the European Data Protection Board⁷⁸. The other six are related to the Europol Regulation⁷⁹ which tasks the EDPS with the data protection supervision of this agency as from 2017, and with providing the Secretariat of the Cooperation Board.

Using the staff reduction target as a benchmark and taking into account special circumstances which may justify certain exceptions, the Commission has made changes in the establishment plans of the draft budget 2017 of the EESC and CoR. To ensure full compliance with the principle of budget neutrality of the cooperation agreement signed in 2013 between the EP, the EESC and the CoR, the Commission has reduced the two Committees' establishment plans by 12 and 8 posts respectively. Thus in 2017, the 80 posts that had been added to the establishment plan of the EP in the 2014 budget will have been fully offset by equivalent reductions in both Committees.

⁷⁵ OJ C 373, 20.12.2013, point 27.

⁷⁶ The EP indicates that the reduction of 60 posts will be implemented in the context of its reading of the 2017 draft budget.

⁷⁷ OJ L 322/II, 8.12.2015.

⁷⁸ OJ L 119, 4.5.2016, p. 1.

⁷⁹ OJ L 135, 24.5.2016, p. 53.

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

Institution	2016 budget	2016		2017 DB (excl. other reductions and requests)	Progress in staff reduction		Differenc e with - 5 % target	2017			2017 DB total	Net change	
		Remaining distance to -5 % target			2017 / 2016			Other reducti ons	Other requests			2017 / 2016	
European Parliament	6 762 (a)	-179	6 583	6 762	0	0,0 %	179	0	26	(c)	6 788	26	0,4 %
European Council and Council	3 040	-15	3 025	3 025	-15	-0,5 %	0	0	2	(c)	3 027	-13	-0,4 %
Commission	24 044	-239	23 805	23 805	-239	-1,0 %	0	-62	13	(c) (d)	23 756	-288	-1,2 %
Court of Justice of the European Union	2 073	-38	2 035	2 054	-19	-0,9 %	19	0	9	(c)	2 063	-10	-0,5 %
Court of Auditors	862	-8	854	853	-9	-1,0 %	-1	0	0		853	-9	-1,0 %
European Economic and Social Committee	670	-6	664	664	-6	-0,9 %	0	-12	1	(c)	653	-17	-2,5 %
Committee of the Regions	496	-8	488	487	-9	-1,8 %	-1	-8	2	(c)	481	-15	-3,0 %
European Ombudsman	66	-1	65 (b)	65	-1	-1,5 %	0	0	0		65	-1	-1,5 %
European Data Protection Supervisor	47	0	47 (b)	47	0	-0,0 %	0	0	9	(e)	56	9	19,1 %
European External Action Service	1 628	-33	1 595	1 611	-17	-1,0 %	16	0	0		1 611	-17	-1,0 %
Total institutions	39 688	-527	39 161	39 373	-315	-0,8 %	212	-82	62		39 353	-335	-0,8 %
(a) For the EP, column '2016 Budget' excludes 35 posts requested in DAB3/2016. The EP will need to confirm its intention to maintain these posts in 2017 during its reading of the DB.													
(b) By the end of 2017, the European Ombudsman and the European Data Protection Supervisor should reduce their posts by 3 and 2 respectively.													
(c) Additional posts requested in relation to the phasing-out of the derogation for the Irish language.													
(d) Including a reduction of 47 posts following the delegation of some tasks of the 2014-2020 programming period to executive agencies.													
(e) Request for 3 additional posts for the setting-up of independent secretariat of the European Data Protection Board and 6 additional posts relating to the setting-up of the secretariat of the Europol Cooperation Board.													

The following table presents the evolution to date of the 5 % staff reduction by institution at the end of the five year period 2013-2017.

The Council, the Commission, the Court of Auditors, the EESC and CoR, the European Ombudsman, and the European Data Protection Supervisor will all achieve the target by 2017.

The EP, the Court of Justice and the European External Action Service (EEAS) do not achieve a 5 % staff reduction by the end of 2017:

- In the framework of the conciliation process for the 2016 budget the EP committed itself to the reduction of 179 posts in its establishment plan over 2017-2019. According to the timetable, the reduction for 2017 is 60 posts. In its statement of estimates 2017, the EP indicates that this reduction will be implemented in the context of its reading of the 2017 draft budget. In draft amending budget 3/2016, the EP requests thirty-five additional posts in relation to security needs. These posts are not considered in the table below and need to be confirmed by the EP in its reading of the 2017 draft budget.
- The Court of Justice was granted twelve additional posts in 2015 and seven additional posts in 2016.
- The EEAS only started implementing the staff reduction in 2014, and has committed itself to applying the last tranche of the overall 5 % staff reduction in 2018.

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

Establishment Plan Posts – All Institutions											
Evolution to date vis-à-vis the -5 % reduction target over 5 years 2013-2017											
Institutions	2012 Budget (a)	2013-2017 reduction target -5 %	Annual reference target (b) -1 %	Posts reduction implementation (c)						Remaining distance to - 5 % target	
				2013	2014	2015	2016	2017	Total	Posts	% points
European Parliament (e) (f)	5 623	-281	-56	-	-37	-47	-18	-	-102	179	3,2%
European Council and Council	3 136	-157	-31	-46	- 42	-22	-32	-15	-157	-	0,0%
Commission	25 073	-1 254	-251	-250	-250	-263	-252	-239	-1 254	-	0,0%
Court of Justice of the European Union	1 952	-98	-20	-20	-20	-7	-13	-19	-79	19	1,0%
Court of Auditors	885	-44	-9	-9	-9	-9	-9	-9	-45	-1	-0,1%
European Economic and Social Committee	673	-34	-7	-7	-7	-7	-7	-6	-34	-	0,0%
Committee of the Regions	492	-25	-5	-	-5	-5	-7	-9	-26	-1	-0,2%
European Ombudsman	64	-3 (d)	-1	-	-	-1	-1	-1	-3	-	0,0%
European Data-Protection Supervisor	43	-2 (d)	-	-	-	-1	-1	-	-2	-	0,0%
European External Action Service (g)	1 679	-84	-17	-	-17	-17	-17	-17	-68	16	1,0%
Total institutions	39 620	-1 982	-397	-332	-387	-379	-357	-315	-1 770	212	0,5%
Authorised 2012 posts excluding Croatia enlargement (140 posts) and EP political groups (1 015 posts) with the following adjustments: - 80 posts were added to the EP and deducted from the EESC (-48) and from the CoR (-32) in order to reflect the impact of the cooperation agreement signed on 5 February 2014 between those institutions. - 10 posts were transferred from the Council to the EEAS in 2014. - 2 posts were transferred from the EEAS to the Commission (PMO) in 2014. (a) - 1 post was transferred from the Court of Auditors to the Commission (PMO) in 2015. - 1 post was transferred from the Council to the EEAS in 2015. - 6 posts were transferred from the Council to the Commission (PMO) in 2015. - 2 posts were transferred from the EP to the Commission in 2016. - 1 post was transferred from the Court of Auditors to the Commission in 2016. (b) Linear projection over 5 years at 1 % per year, rounded figures. (c) Sources: authorised budgets 2013, 2014, 2015, 2016 (including amending and/or draft amending budgets), and 2017 draft budget. (d) By the end of 2017, the European Ombudsman and the European Data Protection Supervisor are expected to reduce their posts by 3 and 2 respectively. (e) The reduction target for the EP is based on the 2014 budget (excluding posts relating to political groups); as stipulated in the EP's statement on the application of point 27 of the Interinstitutional Agreement (<i>see budget 2016 Joint Conclusions</i>). The EP committed itself to continuing the reduction of the total number of posts in its establishment plan and to completing it by 2019 (reduction of 60 posts in 2017 and 2018 respectively, reduction of 59 posts in 2019); in its statement of estimates the EP commits itself to applying the cut of 60 posts in 2017 during its reading of the 2017 draft budget. (f) For the EP, column '2016' excludes 35 posts requested in DAB3/2016. The EP will need to confirm its intention to maintain these posts during its reading of the 2017 DB. (g) The EEAS has committed itself to applying the last tranche of the 5 % staff reduction (equivalent to 16 posts) in 2018.											

The Commission started implementing the 5 % staff reduction in 2013, based on the number of posts in the 2012 establishment plan excluding the enlargement to Croatia, in line with its proposal COM(2011) 500 of 29 June 2011.

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

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

The number of posts for the years 2013-2016 is adjusted to take account of:

- 2013: -13 transformations of posts into appropriations (TECs) for the Commission and -15 TECs for the Council; -2 additional posts reduced at the Commission to compensate for the transfer of tasks to Executive Agencies.
- 2014: 10 posts transferred from the Council to the EEAS; -3 transformations of posts into appropriations (TEC) for the Commission, and -10 TECs for the Council; -5 additional posts reduced at the Commission to compensate for the reinforcement in the European GNSS Agency (GSA) and -120 additional posts reduced at the Commission to compensate for the transfer of tasks to Executive Agencies; 2 transfers from the Commission to the EEAS.
- 2015: -17 transformations of posts into appropriations (TEC) for the Commission, and -10 TECs for the Council; transfer of 1 post from the Council to the EEAS, 7 posts from the Council to the Commission; 1 post from the Court of Auditors to the Commission and -3 posts reduced at the Commission to compensate for the reinforcement in the European GNSS Agency (GSA), and -77 posts reduced at the Commission to compensate for the transfer of tasks to Executive Agencies.
- 2016: -25 transformations of posts into appropriations (TEC) for the Commission; transfer of 1 post from the Court of Auditors and 2 posts from the EP to the Commission, transfer of 36 posts from the EESC and 24 posts from the CoR to the EP80; -3 posts reduced at the Commission to compensate for the reinforcement in the European GNSS Agency (GSA), -3 posts reduced at the Commission following the transfer of appropriations managed by the Commission to the European Fund for Strategic Investments (EFSI) and -104 additional posts reduced at the Commission to compensate for the transfer of tasks to Executive Agencies.

The number of posts indicated as 'Posts reduction implementation' takes account of the following elements:

- Structural changes: additional posts that have been granted to institutions in the course of the budget procedures 2013-2016 and which can be considered as structural changes have not been included. This concerns:
 - Court of Justice: a total of 30 posts, of which seven in 2013, nine in 2014, fourteen in 2015, in the context of the extension of its activities and 88 additional posts in 2016 in the context of the reform of the Court;
 - Ombudsman: one post added in 2013 to complete its establishment plan and one post added in 2016 for needs relating to the compliance with the duties under the UN Framework Convention on the Rights of Persons with Disabilities, which was offset by a corresponding reduction in the number of seconded national experts;
 - EDPS: two posts added in 2013 to complete its establishment plan, as well as two posts added in 2015 and two posts added in 2016 in the context of the creation of the European Data-Protection Board. Nine additional posts requested in the 2017 draft budget of which three in the framework of the ongoing setting-up of the independent secretariat to be provided by the EDPS to the European Data Protection Board and six posts related to the Europol Regulation which tasks the EDPS with the data protection supervision of this agency as from 2017 and with providing the Secretariat of the Cooperation Board.
- Other changes: the following additional posts have been authorised by the budgetary authority in the course of the budget procedures 2013-2016, thus partly offsetting the progress towards the 5 % staff reduction target:

⁸⁰ In the context of the cooperation agreement signed in 2013, 80 posts were added to the establishment plan of the European Parliament in the 2014 budget. To date, to the establishment plan of the Economic and Social Committee has been reduced by 36 posts, and that of the Committee of the Regions by 24 posts. At this stage, however, no equivalent reduction has been included in the establishment plans of the Committees for the remaining 20 posts.

- European Parliament: a total of 78 posts, of which:
 - 2014: 30 new posts resulting from the further internalisation of IT services;
 - 2016: 25 new posts relating to the further internalisation of security services, 20 posts for the secretariats of several parliamentary committees and 3 posts for augmenting the parliamentary assistant management team in the light of the increasing number of assistants. Furthermore, 35 posts are being requested in draft amending budget 3/2016 for the recruitment of additional security agents.
- Court of Justice: 12 new posts in 2015 to meet increased workload related to jurisdictional activities and 7 new posts in 2016 to meet increased needs in the area of security and safety.

All in all, by 2017, the implementation of the 5 % reduction plan in the EU institutions will have resulted in a decrease of 1 770 establishment plan posts and – also taking into account the reduction of appropriations for other types of personnel in the Commission (see point 5.2.2 below for details) – in an overall reduction of 2 322 full-time equivalent units (FTE)⁸¹. The reduction of posts which would still be needed to achieve the targets agreed is estimated at 214 posts (in the EP, the Court of Justice and the EEAS).

The section below presents in more detail the Commission's request for human resources. Details on the requests for human resources for the other institutions can be found in their respective statements of estimates for 2017. Section 5.4.1 below presents an overview of the Commission request as regards the establishment plan posts for the decentralised agencies, whereas the staffing levels of the executive agencies are described in section 5.4.4.

5.2.2 *Commission human resources*

The Commission continues to simplify and rationalise working methods, to lower overheads and to ensure the efficient use of scarce resources, aligned to political priorities. Staff numbers are shrinking, but the challenges faced by the EU are not, and one of the results is higher average working time than the Staff Regulations prescribe. Within the agreed frameworks, administrative resources need to be sufficient to guarantee the efficient implementation of the tasks at hand.

In a context where rigorous cost savings and continuous efforts to achieve efficiency gains continue to be demanded from all public administrations, the Commission maintains its commitment to meet the EU's priorities with a decreased number of staff. The Commission's statement of estimates for 2017 includes the final staff reduction to achieve the 5 % target set in the IIA. Delivery of new Commission priorities will be covered through efficiency gains and redeployment.

The final reduction of all Commission staff translates into a reduction of **338** full-time equivalent units (FTE), broken down into 239 posts in its establishment plan and 99 estimated FTE for other types of personnel⁸², financed across all headings of the multiannual financial framework, as illustrated in the table below.

⁸¹ Full Time Equivalent (FTE).

⁸² In addition to the 5 % reduction of establishment plan posts, the Commission has also been reducing, starting from the 2013 budget, appropriations for external personnel (contract agents, seconded national experts, temporary staff).

Furthermore, the Commission's Statement of estimates for 2017 translates the ongoing transfer of the delegation of certain tasks in the 2014-2020 programming period to executive agencies. Given the Commission's commitment to the overall reduction in staff, and with a view to ensuring budget neutrality with regard to administrative expenditure, the human resources 'freed up' in the Commission as a result of the delegation of programme management to executive agencies translate into a further reduction in the number of posts in the Commission's establishment plans (on top of the 5 % staff reduction in the Commission over the period 2013-2017) and related expenditure, to offset the administrative expenditure related to the additional FTE in the executive agencies.

The 2017 draft budget thus includes a reduction of 62 FTEs (40 posts and 22 other FTE) to ensure a budgetary neutral transfer of resources to executive agencies. In addition, a further two posts have been 'frozen' in the Commission establishment plans, to allow for the secondment of officials to the executive agencies. The expenditure related to these 'frozen' posts has also been deducted from the 2017 draft budget. The resulting combined savings in Commission staff expenditure are estimated at EUR 7,0 million compared to a EUR 6,8 million increase in the executive agencies. In terms of staff mix, the staff increase in the executive agencies mostly consists of contract agents, whereas the staff reduction in the Commission is mostly composed of establishment plan posts. As a result, the delegation exercise leads to a net reduction of establishment plan posts in the Commission and the executive agencies combined.

The 2017 draft budget takes into account the additional compensations of 12 FTE linked to the staff increase at the European GNSS agency (five posts) and the transfer of appropriations currently managed by Commission departments to the European Fund for Strategic Investments (EFSI)⁸³, which entails a reduction of five posts and two other FTE.

Finally, an additional 13 posts are requested to cater for the gradual phasing-in, by 31 December 2021, of Irish language translation in line with the Council Regulation 2015/2264 of 3 December 2015.

In conclusion, the Commission presents a 2017 draft budget that proposes **a reduction of its overall number of human resources for the fifth year in a row**⁸⁴, with a net reduction in the Commission of 288 establishment plan posts (-1,20 %) and 399 FTE (-1,24 %) including other types of personnel, and a net increase of 77 FTE in the executive agencies, as set out in the table below.

By 2017, the Commission will have reduced 1 254 establishment plan posts and 552 FTE of external personnel (the latter is 100 FTE above the Commission's 5 % target), **for a combined total reduction of 1 806 FTE.**

⁸³ Regulation (EU) 510/2014 (recital 29) (OJ L 150, 20.5.2014, p. 72).

⁸⁴ -507 FTE in budget 2016, -508 in 2015, -127 in 2014 and -232 in 2013.

Commission Human Resources in 2017										Commission Human Resources including 2017 Irish language related request			
	2016 Budget Authorisation (Posts & estimated FTE of ext. Pers.)	2017 Staff reduction	Impact of delegation of tasks to (executive) agencies (1)	Transformation of establishment plan posts into appropriations	Transformation of appropriations into establishment plan posts	Transfer between establishment plans	2017 staff request	2017 combined result		2017 staff request <i>Without Irish language request</i>	2017 Irish language related request	Total 2017 staff request	Evolution 2017/2016
Establishment Plan Posts													
Commission	18 857	-184	-19	-4		124	18 774	-0,44 %	-83	18 774	12	18 786	-71
Research - Direct Actions	1 802	-18				-36	1 748	-3,00 %	-54	1 748		1 748	-54
Research - Indirect Actions	1 629	-16	-31			-45	1 537	-5,65 %	-92	1 537		1 537	-92
OP	613	-6		-1		-12	594	-3,10 %	-19	594	1	595	-18
OLAF	368	-4				-15	349	-5,16 %	-19	349		349	-19
EPSO	112	-2			2	-3	109	-2,68 %	-3	109		109	-3
OIB	360	-5		-8		-8	339	-5,83 %	-21	339		339	-21
OIL	134	-2		-1		-3	128	-4,48 %	-6	128		128	-6
PMO	169	-2				-2	165	-2,37 %	-4	165		165	-4
Total Commission Posts	24 044	-239	-50	-14	2	0	23 743	-1,25 %	-301	23 743	13	23 756	-288
External Personnel													
Under Heading 5	4 050	-54	-4	14	-2	0	4 004	-1,13 %	-46	4 004		4 004	-46
Global envelope	2 390	-24	-4	4			2 366	-1,00 %					
Other Heading 5	1 660	-30		10	-2		1 638	-1,31 %					
Outside Heading 5	3 990	-45	-20	0	0	0	3 925	-1,63 %	-65	3 925		3 925	-65
Headings 1, 2 and 4	2 529	-27					2 502	-1,07 %					
Direct Research	750	-8					742	-1,07 %					
Indirect Research	710	-10	-20				680	-4,22 %					
Total Commission External Personnel	8 039	-99	-24	14	-2	0	7 928	-1,38 %	-111	7 928	0	7 928	-111
Total Commission HR	32 083	-338	-74	0	0	0	31 671	-1,28 %	-412	31 671	13	31 684	-399
Total Executive													

Commission Human Resources in 2017										Commission Human Resources including 2017 Irish language related request			
	2016 Budget Authorisation (Posts & estimated FTE of ext. Pers.)	2017 Staff reduction	Impact of delegation of tasks to (executive) agencies (1)	Transformation of establishment plan posts into appropriations	Transformation of appropriations into establishment plan posts	Transfer between establishment plans	2017 staff request	2017 combined result		2017 staff request <i>Without Irish language request</i>	2017 Irish language related request	Total 2017 staff request	Evolution 2017/2016
Agencies staff													
EASME	437		10				447	2,29 %	10				
EACEA	442						442	0,00 %	0				
CHAFEA	60		5				65	8,33 %	5				
INEA	247		20				267	8,10 %	20				
ERCEA	447		21				468	4,70 %	21				
REA	649		21				670	3,24 %	21				
Total Executive Agencies staff	2 282		77	0	0	0	2 359	3,37 %	77	0	0	0	0
(1) Includes 5 posts cut for the compensation of the increase of the GSA agency; 5 posts and 2 external personnel due to EFSI impact.													

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

- The transformation of posts into appropriations: former D-category posts (prior to the 2004 reform of the Staff Regulation, this category mainly included drivers, ushers and messengers) becoming vacant will be converted into appropriations for contract agents, as agreed in the framework of the 2004 reform of the Staff Regulations. This also concerns the gradual return of posts agreed at the time of the creation of the administrative offices⁸⁵, to be converted into contract agents.
- This transformation of posts into appropriations is partially offset by the transformation of a limited number of appropriations for external personnel in EPSO into posts to ensure the required stability of staff.

The 2017 draft budget includes some changes in the function group structure of the existing establishment plans in order to allow the Commission to adapt its human resources to needs, at no extra cost:

- The transformation of 150 AST 6 into 150 AD 5 posts on the Commission operating establishment plan. This continues the adjustment of the structure of establishment plan posts, linked to the reduction of clerical tasks and the growing need for administrators;
- A limited transformation of 10 AST 6 into 10 AD 5 posts in the establishment plans of the Offices (2 in OIB, 3 in the Publication Office, 4 in OLAF and 1 in EPSO).

Following the creation of the new function group for Secretaries and Clerks (AST/SC) as provided for by the 2013 reform of the Staff Regulations, the 2017 draft budget requests the conversion of 100 AST posts into AST/SC posts, according to the needs of each service.

In light of the overall Commission staff reduction (-399 FTE), huge efforts are imposed on Commission services to achieve their objectives with fewer human resources:

- The Commission has in 2016 redefined the procedure of the reallocation of posts, aligning it to its political priorities, more transparent and resulting in a much more differentiated approach – the most recent reallocation decision resulted in allocation of 87 posts as from June 2016, notably to Commission departments involved in handling of the migration issue. These redeployments will include transfers of officials with their posts between departments.
- At the same time reviews of four horizontal functions have been underway (HR, ICT, Communication, Logistics and Events) to seek further efficiency gains to enable the Commission to redeploy staff to priority areas/tasks. In addition, individual Directorates-General intend to redeploy internally a substantial number of posts (547) to frontline activities in 2017, concentrating reinforcement on policy making and programme management as illustrated by the table below.

2017 Establishment Plan Posts internal redeployment effort within individual Directorates-General/Services			
Work profile description	Reduction	Reinforcement	Net result
Administrative support	-134	37	-97
General coordination	-35	21	-14
Budgetary management & antifraud	-37	56	19
Law making, monitoring and enforcement	-46	67	21
Linguistic	-6	2	-4
Programme management	-93	137	44
Policy making	-185	216	31
Communication	-11	11	0
Total DGs/Services	-547	547	0

⁸⁵ Communication 'Creation of three administrative Offices' Doc C(2002) 4367f, 4368f and 4369 final, 6.11.2002.

- The use of flexible arrangements continues. The mechanism of pooling expertise for specific time-bound tasks is still being used to allow temporary posting of officials within services facing a sustained enhanced workload (for example to Support Group for Ukraine). In 2015-2016, 63 officials together with their posts have been redeployed on a permanent basis to two Commission departments directly involved in the management of the migration crisis. For this purpose a dedicated call for expression of interest was organised, resulting in a very fast transfer of officials to serve urgent tasks.

Finally, in relation to its human resources, the Commission regularly monitors the *geographical balance*, (including ad hoc targets set for Croatian nationals), verifying that staff is recruited on the broadest possible geographical basis from among nationals of Member States and that there is no significant and unjustified imbalance between nationalities among officials.

5.3 Commission administrative expenditure outside heading 5

5.3.1 Summary overview of administrative expenditure outside heading 5

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

(in EUR, at current prices)

Summary overview of administrative expenditure outside heading 5	Budget 2016 ⁽¹⁾	Draft budget 2017	Difference 2017 – 2016	Difference 2017 / 2016
	(1)	(2)	(2 – 1)	(2 / 1)
— Support expenditure outside research and heading 5	307 778 235	316 162 523	8 384 288	2,7%
— Support expenditure for direct and indirect research	758 913 842	761 232 296	2 318 454	0,3%
— Officials and temporary staff	369 176 356	366 369 989	-2 806 367	-0,8%
— External personnel	89 219 932	89 064 673	-155 259	-0,2%
— Other management expenditure	165 837 422	161 306 721	-4 530 701	-2,7%
— Other expenditure for new major research infrastructures	4 000 000	4 000 000	0	0,0%
— Executive agencies for Research	130 680 132	140 490 913	9 810 781	7,5%
Total	1 066 692 077	1 077 394 819	10 702 742	1,0%

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

The sections below explain the purpose of technical and administrative support expenditure which is directly linked to non-research programmes (section 5.3.2) and to research programmes (section 5.3.3). More details on this expenditure are provided as part of Working Document V ('Commission Human Resources') accompanying the 2017 draft budget.

Many EU multiannual programmes provide for technical and administrative support expenditure directly linked to the implementation of the operational programmes and financed from the financial envelope of the programme. This technical and administrative support expenditure is clearly identified in the EU budget, on dedicated budget lines (XX 01 04 lines).

The appropriations for technical and administrative support are used to carry out activities such as evaluation of calls for proposals, studies, information systems, expert meetings and audits, needed to achieve value for money and ensure sound financial management.

5.3.2 Support expenditure for operations and programmes of headings 1, 2, 3 and 4, not including Research

Most of the support expenditure outside heading 5 and other than research-related expenditure relates to heading 4 (EUR 214 million of the total shown in the table above). The remaining amount relates to several programmes in headings 1, 2 and 3.

The Commission has used the appropriations for administrative support in the 2016 budget as a benchmark for the 2017 draft budget. On the basis of budget execution in 2015, as well as the expected level of operational appropriations to be managed in 2016, the Commission has carried out a rigorous needs assessment, which leads to a level of appropriations which is slightly above the corresponding level in 2016 (2,7 %). The requested EUR 316,2 million is necessary to ensure the proper implementation of operational programmes in 2017.

For a large number of the administrative support lines, the Commission requests a level of appropriations which remains constant in nominal terms, reflecting the rigour applied to administrative resources in general (see section 4.6 above). The requested amounts by heading are stable in all headings except for heading 4, where a 3% increase compared to the 2016 budget is largely explained by staff and IT support costs. In EU delegations in third countries and on a limited number of pre-identified budget lines, support staff can be financed within the limits of a ceiling defined in the budget.

Appropriations for external personnel financed under operational budget lines are part of the effort to reduce Commission staff by 5 % over 5 years (see section 5.2 above). For the 2017 DB, the reduction of staff financed from programme financial envelopes other than research results in a decrease of 27 FTE compared to the 2016 budget. Additional external personnel required for the implementation of new priorities has been covered

by redeployment. The evolution of external personnel other than the expected evolution of average costs concerns in particular the management of external aid programmes in delegations.

5.3.3 Administrative expenditure under the Research budget (heading 1a)

As shown in the summary table 5.3.1 above, administrative expenditure financed under the Research budget includes:

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

As explained in section 5.2 above, the overall reduction of establishment plan posts in the 2017 draft budget also applies to the research establishment plan (direct and indirect actions).

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

- Overall, as compared to the 2016 budget, taking into account the impact of the 1 % staff reduction, the requested appropriations for research expenditure related to staff decrease by -0,7 %;
- Appropriations for research expenditure related to external personnel in 2016 are slightly below the 2016 level (-0,4 %);
- Appropriations for other management expenditure for research decrease by -2,1 % as compared to the 2016 budget. These appropriations are used to finance actions such as IT systems directly related with the submission, evaluation and monitoring of proposals, external audits, workshops and communication activities, across Horizon 2020;
- Appropriations for other expenditure for new major research infrastructures (direct research, EUR 4,0 million) are presented separately, to identify this type of expenditure more clearly. The amount requested for 2017 is the same as in the 2016 budget;
- Appropriations for the executive agencies (REA, ERCEA, EASME and INEA) implementing parts of Horizon 2020 increase by 7,5 %. This reflects the further delegation of implementing tasks to these agencies (see section 5.4.4 below).

5.4 Bodies set up by the European Union and having legal personality

Key budgetary information for all EU bodies (decentralised agencies, executive agencies, joint undertakings, joint technology initiatives and the EIT) is provided in annex IV. Furthermore, Working Document III accompanying the 2017 DB presents detailed information on ‘agencies’, with a transparent presentation with regard to the revenue, expenditure and staff levels of various Union bodies.

5.4.1 Decentralised agencies

As part of the preparation of the 2017 DB, the Commission has made a thorough assessment of the needs for each decentralised agency. The proposed level of the EU contribution and the staffing level of individual agencies reflect their stage of development. The classification of agencies as ‘*cruising speed*’, ‘*new tasks*’ and ‘*start-up phase*’ agencies has an impact on the growth of their EU contributions and staffing levels: typically, agencies which have recently been created or have recently been assigned new tasks require additional appropriations and additional staff, to carry out tasks related to their new or recently extended mandates, whereas cruising speed agencies have stable structures and budgets, and should therefore pursue rationalisation efforts (even when confronted by new policy developments). The 2017 DB only contains ‘cruising speed’ and ‘new tasks’ agencies, now that the recently-created agencies have completed their initial phasing-in process. The draft budget does not contain new bodies.

The DB 2017 request for decentralised agency staffing and appropriations uses as a starting point the Commission Communication on the programming of human and financial resources for decentralised agencies 2014-2020⁸⁶. This is with the aim of reducing total staffing levels in agencies by 5 % over five years, as laid down in point 27 of the Interinstitutional Agreement of 2 December 2013⁸⁷, while still allowing certain agencies to increase their staffing numbers in order to carry out their new tasks.

In preparing the 2017 DB, the Commission has taken account of the following developments:

- Top-ups agreed by the Council and the European Parliament: the outcome of the 2014, 2015 and 2016 budget procedures led to an overall net increase of 36 posts compared to number of posts set out in the Commission Communication for 2016;
- Migration and security response: the 2017 DB consolidates the additional posts authorised in the 2015 and 2016 budgets for the agencies most concerned by the migration and security response (Frontex, EASO and Europol). Taking into account the new legislative proposals concerning the Borders Package⁸⁸, EASO and eu-LISA, the total number of posts for the migration response increases from 144 posts authorised for this purpose in the 2016 budget to 383 posts in the 2017 DB. Moreover, the total number of posts for the security response increases from 25 posts authorised in the 2016 budget to 47 posts in the 2017 DB. The migration and security response is a new policy development which is not included in the 5 % staff reduction target;
- EASA pilot case: as agreed in the meeting of the Interinstitutional Working Group (IIWG) on decentralised agencies' resources of 14 March 2016, the European Aviation Safety Agency (EASA) will be treated as a pilot case to allow for some flexibility in its annual number of fee-financed posts to respond to fluctuations in workload from industry, provided that this is justified by workload indicators. The Commission proposes that fluctuations in workload leading to upward or downward adjustments of the number of posts as compared to the Commission Communication of July 2013 are not included in the 5 % staff reduction target. The merits of the EASA pilot case will be discussed in detail in the next IIWG meeting, which is scheduled for October 2016.

⁸⁶ COM(2013) 519, 10.7.2013.

⁸⁷ OJ C 373, 20.12.2013.

⁸⁸ COM(2015) 671, 15.12.2015.

As shown in more detail in the decentralised agency overview table (annex IV.1), the total number of establishment plan posts across all agencies⁸⁹ foreseen for 2017 amounts to 6 316. The table below gives an overview of the original programming of the total number of agency posts 2016-2017 as set out in the Commission Communication of July 2013, the total number of agency posts requested in the 2017 draft budget and the resulting 1 % staff reduction compared to the total number authorised in the 2016 budget, when excluding the migration and security response and the EASA pilot case.

Total number of agency posts	Budget 2016	Draft Budget 2017	Reduction of posts DB 2017
Commission Communication July 2013	5 885	5 822	
Total including reinforcements	6 105	6 316	
Total excluding migration and security response and EASA pilot case	5 922	5 863	-59

The additional posts requested as part of the migration response increase from the 144 posts authorised in the 2016 budget for this purpose to 383 posts in the 2017 draft budget, broken down as follows:

- As per the Commission proposal for the Borders Package, 206 migration-related posts are requested in the 2017 draft budget to transform Frontex into the European Border and Coast Guard Agency. This is a substantial increase compared to the 76 posts authorised for this purpose in the 2015 and 2016 budgets. Moreover, migration-related posts are requested in the 2017 draft budget for EMSA (14) and EFCA (12).
- As per the Commission proposal to transform EASO into the EU Agency for Asylum, 98 migration-related posts are requested for EASO in the 2017 draft budget. This is a substantial increase compared to the 34 posts authorised for this purpose in the 2015 and 2016 budgets.
- As per the Commission proposal for the Entry/Exit System, 14 migration-related posts are requested in the 2017 draft budget for eu-LISA. Moreover, 2 migration-related posts are requested for this agency in view of additional tasks linked to the revision of the Eurodac regulation.
- The number of migration-related posts requested for Europol (33) and Eurojust (1) in the 2017 draft budget remains stable at the 2016 level.
- Finally, so as to enable the agency to provide tailor-made training to police officers involved, 3 migration-related posts are requested in the 2017 draft budget for CEPOL.

The additional posts requested as part of the security response increase from the 25 posts authorised in amending budget 1/2016 to 47 posts in the 2017 draft budget, broken down as follows:

- The number of security-related posts requested for Europol's Counter-Terrorism Centre (25) in the 2017 draft budget remains stable at the level authorised in amending budget 1/2016.
- In addition, the 2017 draft budget includes a request for 8 posts to reinforce Europol's Cyber Crime Centre (EC3) as well as a request for 14 posts as part of the revision of Europol's founding Regulation.

As part of the proposal to treat EASA as a pilot case for a new approach to measure the evolution of the staffing needs of fee-financed agencies, the Commission proposes 450 fee-financed posts in EASA (i.e. a reduction of one post compared to the 2016 budget). This reflects the Commission's assessment of the forecast workload evolution in fee-financed activities in 2017. More details on the workload assessment are set out in Working Document III accompanying the 2017 DB.

⁸⁹ Including the two fully self-financed agencies 'European Union Intellectual Property Office' (EUIPO, formerly OHIM) and 'Community Plant Variety Office' (CPVO).

The table below shows for each agency concerned the variation of the number of posts in the 2016 budget which are carried forward into the 2017 draft budget as well as the further reinforcements of agency posts proposed in the 2017 draft budget, taking into account the top-ups agreed by the budgetary authority in previous budget procedures, the migration and security response and the EASA pilot case:

Annual variation of agency posts 2016-2017 compared to Commission Communication 2013*												
Agency	Migration response		Security response		Pilot case fee-financed agencies		Top-ups Council & Parliament		Other new legislative proposals		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
EMA							3				3	
ECHA-Biocides							-8	5			-8	5
EASA fee-financed					14	9					14	9
EASA EU-financed										5		5
ACER							15				15	
EIGE							1				1	
EEA							1				1	
EFCA		12										12
EMSA		14										14
FRONTEX	76	130									76	130
EASO	34	64					6				40	64
EUROPOL	33		25	22			8				66	22
CEPOL		3					1				1	3
EU-LISA		16										16
FRA							2				2	
EUROJUST	1						2				3	
Annual total	144	239	25	22	14	9	31	5	0	5	214 ⁹⁰	280
Accumulative total	383		47		23		36		5		494	

* The variation shown for 2017 is additional to the 2016 variation.

The decentralised agency overview table (annex IV.1) also shows that the total EU contribution in 2017 to all decentralised agencies combined amounts to EUR 1 317,3 million. This overall amount is composed of the amounts entered in the 2017 DB (EUR 1 285,4 million) and the assigned revenues stemming from the recovery of the 2015 surplus (EUR 31,9 million), which will be carried over to 2017 and deducted from the 'fresh appropriations' to be entered in the 2017 DB. Moreover, when assessing the decentralised agencies needs for the financial year 2017, the Commission has taken into account the cancellation of commitments and payments (including on payment appropriations carried over from 2014) in 2015. In so doing, the Commission responds to the requirements of the Framework Financial Regulation as revised in 2013⁹¹.

⁹⁰ The total number of agency posts authorised in the 2016 budget is 220 above the level of the Commission Communication, and 214 of these posts are carried forward into the 2017 draft budget. Six posts authorised in the 2016 budget are treated as frontloading of staff increases which were already programmed for 2017, and therefore these posts do not lead to increases in the 2017 draft budget.

⁹¹ OJ L 328, 7.12.2013, p. 42.

Overall, expenditure for all decentralised agencies combined increases by 19,7 % (EUR 217,2 million) as compared to the 2016 budget (as modified by amending budget 1/2016). This is mostly due to the migration response, in particular as regards:

- The proposal to establish a European Border and Coast Guard Agency⁹², which increases the EU contribution to the current Frontex agency by EUR 42,6 million as compared to the authorised 2016 budget. In addition, the Borders Package also contains a reinforcement of the European Maritime Safety Agency (EMSA) of EUR 17,7 million, as well as a reinforcement of the European Fisheries Control Agency (EFCA) of EUR 7,9 million.
- The increase in the EU contribution to eu-LISA of EUR 73,3 million as compared to the 2016 budget in view of the agency's new tasks as per the Commission proposal to establish an Entry/Exit System⁹³, as well as a further increase of EUR 11,6 million in view of the agency's new tasks as per the Commission proposal for Eurodac⁹⁴ and an increase of EUR 1,8 million in view of the agency's new tasks as per the Commission proposal for the revised Dublin Regulation⁹⁵. The increased EU contribution to eu-LISA is offset by a corresponding reduction of appropriations under the Internal Security Fund (ISF).
- The Commission proposal to transform EASO into the EU Agency for Asylum⁹⁶, which requires a reinforcement of the EU contribution to the current EASO agency by EUR 46,8 million as compared to the 2016 budget.

When excluding the reinforcements related to the migration and security response, expenditure for all decentralised agencies combined increases by 2,5 % (EUR 23,1 million) as compared to the 2016 budget (as modified by amending budget 1/2016).

5.4.2 *Joint undertakings and joint technology initiatives*

Annex IV.2 presents an overview table for the two joint undertakings (JU) and six joint technology initiatives (JTI).

Compared to the 2016 budget, the total EU contribution to the joint undertakings and JTIs requested in the 2017 DB decreases by -4,1 % to EUR 1 186,3 million. This relatively minor decrease is mainly due to the net impact of the following changes to the financial programming for 2017:

- A downward revision of the EU contribution to be entered in the 2017 budget for the ITER-F4E JU, which takes account of a backloading of the profile over the MFF period.
- A downward revision of the EU contribution to be entered in the 2017 budget for the Bio-Based Industries (BBI) JTI, which takes account of a backloading of the profile over the MFF period.
- A frontloading to 2017 of the operational appropriations for SESAR and Shift to Rail, which is partly offset in 2017 from Clean Sky.

The staffing of most of the joint undertakings and JTIs is kept stable at the level authorised in 2016. As planned, however, one additional post is requested for the Innovative Medicines Initiative (IMI) as well as one additional post for Shift to Rail (S2R). This is based on an assessment of the real needs of S2R, and takes into account its particularly small size.

5.4.3 *European institute of innovation and technology (EIT)*

Annex IV.3 presents an overview table for the EIT. In line with the financial programming, the foreseen EU contribution to EIT increases from EUR 224,9 million in 2016 to EUR 300,4 million in the 2017 DB. The

⁹² COM(2015) 671, 15.12.2015.

⁹³ COM(2016) 194, 6.4.2016.

⁹⁴ COM(2016) 272, 4.5.2016.

⁹⁵ COM(2016) 270, 4.5.2016.

⁹⁶ COM(2016) 271, 4.5.2016.

staffing level of EIT increases by two posts to 41 posts in 2017, which reflects the programmed increase of the staffing level by two FTE.

The EU contribution to the EIT relates largely to operational expenditure, principally through the Knowledge and Innovation Communities (KICs), set up to promote and integrate higher education, research and innovation of the highest standards. Under Horizon 2020, seven KICs will be operational as of 2016, focused on sustainable energy (KIC InnoEnergy), climate change mitigation and adaptation (Climate KIC), information and communication technologies (EIT Digital), healthy living and active ageing (EIT Health), sustainable exploration, extraction, processing, recycling and substitution (EIT Raw Materials), Food4Future – sustainable supply chain from resources to consumers (EIT Food) and added-value manufacturing (EIT Manufacturing).

5.4.4 Executive agencies

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

In 2017, the Commission will maintain intensive use of executive agencies in the management of the 2014-2020 spending programmes, by delegating implementing tasks to executive agencies when they can bring higher efficiency and effectiveness as compared to ‘in-house’ management in the Commission. The staffing and subsidy levels foreseen for the agencies in the 2017 DB are in line with the Commission’s ‘delegation package’⁹⁷ for the 2014-2020 period, taking account of the additional delegation of activities to CHAFEA⁹⁸ and EASME⁹⁹ as from 2015 and to EACEA¹⁰⁰ and REA¹⁰¹ as from 2016. No additional delegations are foreseen for 2017.

⁹⁷ The Commission described the proposed scenario for the delegation of certain parts of 2014-2020 spending programmes to the executive agencies, and the corresponding budgetary and human resources impact (including to take into account the application of the 5 % staff reduction target in the executive agencies), in an information note which was sent to the European Parliament and the Council on 4 October 2013. Further to the agreement on the delegation reached in November 2013, the six executive agencies have been re-established through Commission implementing Decisions in December 2013, as follows: EASME (OJ L 341, 18.12.2013); CHAFEA (OJ L 341, 18.12.2013); EACEA (OJ L 343, 19.12.2013); REA (OJ L 346, 20.12.2013); ERCEA (OJ L 346, 20.12.2013); and INEA (OJ L 352, 24.12.2013).

⁹⁸ COM 2014/927/EU of 17.12.2014, Extension of CHAFEA mandate by the Agricultural Promotion programme and transforming the 'Consumers, Health and Food Executive Agency' into the 'Consumers, Health, Agriculture and Food Executive Agency'.

⁹⁹ C(2014)6944 of 2.10.2014, amending Decision (2013)9414 adding the 'Fast Track to Innovation pilot scheme to the EASME mandate.

¹⁰⁰ C(2016)401 Commission Decision amending Commission Decision C(2013)9189 delegating powers to the Education, Audiovisual and Culture Executive Agency with a view to performance of tasks linked to the implementation of Union Programmes in the field of education, audiovisual and culture, comprising, in particular, implementation of appropriations entered in the general budget of the Union and of the EDF allocations. This relates to DG DEVCO delegating to EACEA the implementation of the Intra-ACP Academic Mobility Scheme, financed under the Pan Africa programme (Development and Cooperation Instrument).

¹⁰¹ C(2015)8754 of 11.12.2015, Commission Decision amending Decision C(2013)9418 on delegating powers to the Research Executive Agency with a view to performance of tasks linked to the implementation of Union programmes in the field of research and innovation comprising, in particular, implementation of appropriations entered in the general budget of the Union. This relates to the use of REA IT-services by DG HOME, DG JUST and DG AGRI.

The necessary additional staff increase in the agencies has been compensated by an equivalent reduction of human resources in the Commission. The 2017 DB also takes account of the impact of the EFSI on the envelopes of operational appropriations to be managed by the agencies. As a consequence, the proposed number of staff in the executive agencies increases to 2 359 FTE in 2017 (+ 77¹⁰² FTE, of which 19 temporary agents and 58 contract agents), and the total EU contribution amounts to EUR 233,8 million (an increase of EUR 11,7 million, or 5,3 %). Overall, the total increase is 22 FTE below the total number initially foreseen (including the staff needed for additional tasks), because of the lower level of operational appropriations to be managed in 2017, which is mostly due to the EFSI impact. More details on the revised staffing levels by agency are shown in the table below:

EFSI impact on staffing levels in executive agencies	Initially foreseen staffing levels for 2017 (as per 'delegation package')		Revised staffing levels as requested in DB 2017	
	Establishment plan posts	Contract agents (FTE)	Establishment plan posts	Contract agents (FTE)
EASME	109	328	110	337
EACEA	110	331	110	332
CHAFEA	17	49	17	48
INEA	71	214	68	199
ERCEA	118	350	118	350
REA	171	513	167	503
Total	596	1 785	590	1 769

The increase in the staffing levels and related administrative expenditure in the executive agencies in 2017 linked to the delegation of tasks is compensated by a further reduction of 64 FTE in the Commission (of which 40 freed» and 2 'frozen' posts¹⁰³ in the establishment plans, as well as 22 contract agents), on top of the reduction to achieve the 5 % staff reduction target. The total number of 'freed' and 'frozen' posts is shown in the table below:

'Freed' and 'frozen' posts: ensuring budgetary neutrality	Total number of freed and frozen posts in 2016		Total number of freed and frozen posts in 2017	
	Establishment plan posts	Contract agents (FTE)	Establishment plan posts	Contract agents (FTE)
Total 'freed'	104	40	40	22
Total 'frozen'	7	-	2	-
Total	111	40	42	22

¹⁰² Following the agreement on the financing of the EFSI reached after the finalisation of the draft budget 2016, the Commission allowed REA to recruit 5 additional contract agents in 2016 within the 2016 authorised appropriations. These 5 FTE were not included in the number of staff authorised for REA in 2016. Hence, the real increase is 72 FTE (77 minus 5).

¹⁰³ Tasks transferred from Commission services to executive agencies lead to 'freed' posts in the Commission, which have been deleted from the Commission establishment plans in order to guarantee the budgetary neutrality of the delegation exercise. The posts of Commission officials seconded to executive agencies remain vacant in the Commission (i.e. 'frozen') during their secondment. This generates a corresponding reduction of administrative appropriations in the Commission budget.

The reduction of the corresponding Commission administrative expenditure (EUR 7,0 million, calculated on a full year basis) more than offsets the increase for the executive agencies, leading to net savings with the delegation of tasks to executive agencies. The table below shows the way in which the increases in expenditure to cover the running costs of the executive agencies will be offset through a compensating reduction in staff expenditure at the Commission:

Offsetting of expenditure related to delegation to executive agencies	Number of FTE	Value (in EUR million) ¹⁰⁴
Additional staff in executive agencies in the 2017 draft budget		
Additional establishment plan posts	+ 19	+ 2,49
Additional contract agents and seconded national experts	+ 58	+ 4,31
Total additional full-time equivalents (FTE)	+ 77	+ 6,80
Compensating reduction of staff expenditure in the Commission		
Compensating reduction of establishment plan posts ('freed' and 'frozen')	- 42	- 5,50
Compensating reduction of contract agents and seconded national experts ('freed')	- 22	- 1,54
Total compensating reduction of full-time equivalents (FTE)	- 64	- 7,04
Difference: net savings due to delegation to executive agencies		- 0,24

¹⁰⁴

This calculation uses the same costs levels as in the Information note to the Committee for Executive Agencies on the delegation of the management of the 2014-2020 programmes to executive agencies (annex 3 'Overall compensation mechanism demonstrating budget neutrality').

5.5 Actions without a specific basic act

Article 54 of the Financial Regulation¹⁰⁵ states that, ‘...a basic act shall first be adopted before the appropriations entered in the budget for any action by the Union may be used.’ However, the Financial Regulation also provides for five exceptions to this rule: 1) pilot projects; 2) preparatory actions; 3) preparatory measures in the field of Title V of the Treaty on European Union (concerning CFSP); 4) actions undertaken on the basis of the institutional prerogatives and specific powers conferred on the Commission by the Treaties; and 5) operations of each institution under its administrative autonomy.

5.5.1 Programmes, activities and decentralised agencies for which the basic act is outstanding

As set out above, appropriations are to be entered into the reserve until such time as the basic act is adopted by the legislator. Accordingly, appropriations for the following programmes, activities and decentralised agencies have been entered into the reserve, for a total amount of EUR 20,4 million (in commitment appropriations):

Standards in the fields of financial reporting and auditing, EUR 3,4 million;

International fisheries agreements, EUR 15,5 million;

Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the field of financial services, EUR 1,5 million.

More detailed information on all these initiatives is given under the corresponding headings of the financial framework.

5.5.2 Pilot projects and preparatory actions

In the 2017 DB, the Commission requests EUR 25,0 million in commitment appropriations for a new preparatory action on defence research. The preparatory action will cover defence research projects that cannot be financed from Horizon 2020 because of their military nature. The action is proposed to be implemented by the intergovernmental European Defence Agency (EDA). The action will test a mechanism of cooperation with the EDA which would prepare, organise and deliver defence research, technology and development activities ensuring compatibility with EU conditions and rules.

Detailed information on pilot projects and preparatory actions for which payment appropriations are requested is presented in Working Document IV accompanying the 2017 DB.

5.5.3 Actions financed under the prerogatives of the Commission

In the 2017 draft budget, the actions financed under the institutional prerogatives of the Commission amount to EUR 310,9 million. This overall amount represents an increase of 1,2 % compared to the 2016 budget (EUR 307,2 million), and an increase of EUR 6,1 million compared to the financial programming of 2017 as updated in January 2016. Targeted increases are foreseen for communication activities, including citizens dialogues, online and written information and communication tools, the House of European History, as well as for external trade relations actions and evaluation and audit in the field of external aid which are not covered by a spending programme.

More details on the actions financed under the Commission’s prerogatives can be found in Document II (financial programming 2017-2020).

¹⁰⁵ OJ L 298, 26.10.2012, p. 1.

6 ANNEX — DETAILED FIGURES

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

(in million EUR, at current prices)

CEILINGS FOR COMMITMENT APPROPRIATIONS (1)	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
 1. SMART AND INCLUSIVE GROWTH	52 756	77 986	69 304	72 386	75 271	78 752	82 466	508 921
Competitiveness for growth and jobs	16 560	17 666	18 467	19 925	21 239	23 082	25 191	142 130
Economic, social and territorial cohesion	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	121 435	162 959	154 738	155 631	159 514	164 123	168 797	1 087 197
as a percentage of GNI (2)	0,90 %	1,17 %	1,05 %	1,04 %	1,04 %	1,04 %	1,04 %	1,04 %
CEILINGS FOR PAYMENT APPROPRIATIONS (1)	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
TOTAL	135 762	140 719	144 685	142 906	149 713	154 286	157 358	1 025 429
as a percentage of GNI (2)	1,01 %	1,02 %	0,98 %	0,95 %	0,97 %	0,97 %	0,96 %	0,98 %
SPECIAL INSTRUMENTS (3)	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
Emergency Aid Reserve (EAR)	297	303	309	315	322	328	335	2 209
European Union Solidarity Fund (EUSF)	531	541	552	563	574	586	598	3 945
European Globalisation Adjustment Fund (EGF)	159	162	166	169	172	176	179	1 183
Flexibility Instrument	500	510	520	530	541	552	563	3 716

(1) The figures are based on the technical adjustment of the financial framework for 2017 in line with movements in GNI (Article 6 of Council Regulation No 1311/2013 laying down the multiannual financial framework for the years 2014-2020), adopted by the Commission on 30 June 2016 (COM(2016) 311).

(2) This is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2016.

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

6.2 Annex II — 2017 draft budget by policy area and financial framework headings

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

Policy area	Total	1. Smart and inclusive growth		2. Natural resources	3. Security and Citizenship	4. Global Europe	5. Administration	Special Instruments
		1a. Competitiveness	1b. Cohesion					
01 Economic and financial affairs	3 070,6	2 718,0	p.m.			271,4	81,2	
02 Internal market, industry, entrepreneurship and SMEs	2 395,9	2 289,7		p.m.	p.m.		106,2	
03 Competition	107,4						107,4	
04 Employment, social affairs and inclusion	13 802,0	238,4	13 460,5		p.m.	19,8	83,4	p.m.
05 Agriculture and rural development	57 861,5	239,9		57 298,0		207,7	115,8	
06 Mobility and transport	3 729,6	2 093,9	1 593,3				42,4	
07 Environment	467,0			407,6		3,9	55,6	
08 Research and innovation	6 159,0	6 148,6		p.m.			10,4	
09 Communications networks, content and technology	1 974,7	1 794,1	p.m.		129,2		51,4	
10 Direct research	401,7	401,7					p.m.	
11 Maritime affairs and fisheries	1 104,0			1 067,2			36,9	
12 Financial stability, financial services and capital markets union	90,0	48,0					42,0	
13 Regional and urban policy	38 597,7	p.m.	38 369,3	5,1		102,2	71,2	50,0
14 Taxation and customs union	177,3	117,1				1,1	59,0	
15 Education and culture	3 300,7	3 138,7			98,3		63,6	
16 Communication	210,6				76,3		134,4	
17 Health and food safety	570,6			1,5	473,5	0,5	95,1	
18 Migration and home affairs	3 454,4	153,3			3 245,9	p.m.	55,3	
19 Foreign policy instruments	744,7					731,9	12,8	
20 Trade	112,4					17,5	94,9	
21 International cooperation and development	3 237,0					3 055,0	182,0	
22 Neighbourhood and enlargement negotiations	4 253,4		150,7			4 032,0	70,7	
23 Humanitarian aid and civil protection	1 052,3			p.m.	31,0	988,2	33,1	
24 Fight against fraud	81,8	22,1					59,7	
25 Commission's policy coordination and legal advice	229,6						229,6	
26 Commission's administration	1 063,1	34,7					1 028,4	
27 Budget	75,5						75,5	
28 Audit	19,0						19,0	
29 Statistics	142,7	61,1					81,6	
30 Pensions and related expenditure	1 777,7						1 777,7	
31 Language services	404,0						404,0	
32 Energy	1 679,3	1 608,7		p.m.			70,5	
33 Justice and consumers	267,5	0,9		p.m.	218,2		48,5	
34 Climate action	146,0			122,5		0,9	22,6	
40 Reserves	996,9							996,9
Total	153 757,8	21 109,0	53 573,8	58 901,7	4 272,4	9 432,0	5 422,1	1 046,9
Other institutions	3 899,6						3 899,6	
Grand Total	157 657,5	21 109,0	53 573,8	58 901,7	4 272,4	9 432,0	9 321,7	1 046,9
<i>Of which under Flexibility Instrument</i>	530,0				530,0			
<i>Of which under Global Margin for Commitments</i>	1 265,0	1 265,0						
<i>Of which under Contingency Margin</i>	1 164,4				1 164,4			
Ceilings	155 631,0	19 925,0	53 587,0	60 191,0	2 578,0	9 432,0	9 918,0	
<i>Of which offset against Contingency Margin</i>	-1 164,4			-650,0			-514,4	
<i>Margin</i>	815,4	81,0	13,2	639,3	0,0		81,9	

6.3 Annex III — Climate tracking and biodiversity

6.3.1 Climate action

Climate action is a key priority for the Commission, as set out in the ‘Europe 2020 strategy’. To respond to the challenges and investment needs related to climate action, the European Commission proposed to mainstream climate action in the 2014-2020 multiannual financial framework (MFF) and ensure that at least 20 % of EU expenditure is climate related.¹⁰⁶ This approach was endorsed by the European Council on 8 February 2013 and confirmed by the European Parliament in its resolution on the new MFF of 13 March 2013. Through this mainstreaming into different policies, at least 20 % of the EU budget expenditure in the 2014-2020 MFF should be climate-related¹⁰⁷. Starting from draft budget 2014, these expenditures have been tracked in accordance with the methodology developed by the Commission to support mainstreaming and ensure transparency. The annual financing efforts towards reaching the 20 % objective are monitored by assessing the foreseen climate-related expenditure of the relevant EU programmes in the framework of the annual budgetary procedures.

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

The table below incorporates forecasts for draft budget 2017. With the aim of having comparable data, the figures for 2016 have also been updated to reflect further available information and improved tracking methodology for some programmes. The figures show that the total contribution to climate mainstreaming is expected to reach EUR 29 557,1 million in 2017 (or 19,2 % of proposed total commitment appropriations) compared to EUR 31 516,3 million in 2016 (or 20,8 % of total commitment appropriations).

The EU budget support for climate action will be enhanced by a continued prioritisation of climate-related activities in the EU budget and further improvements of the climate tracking.

¹⁰⁶ Communication ‘A Budget for Europe 2020’ COM(2011) 500, 29.6.2011.

¹⁰⁷ According to the conclusions of the European Council on 7-8 February 2013 ‘climate action objectives will represent at least 20% of EU spending in the period 2014-2020 and therefore be reflected in appropriate instruments [...]’. <http://data.consilium.europa.eu/doc/document/ST-3-2013-INIT/en/pdf>.

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

Programme	Objectives (Outputs)	Budget 2016 ¹⁰⁸	Draft budget 2017
HEADING 1a — COMPETITIVENESS FOR GROWTH AND JOBS			
European Earth Observation Programme (Copernicus)	Delivering accurate and reliable data and information to Copernicus users (Copernicus Climate Change Service)	32,4	33,9
	Delivering accurate and reliable data and information (satellite imagery, digital or printed maps) to Copernicus users (50% of output produced relating to 3 Copernicus services on Land, Atmosphere and Marine Environment Monitoring is attributed to Climate Change)	11,6	12,0
	Output in terms of contribution made by data from Sentinel satellites	156,8	163,7
	Total	200,8	209,6
Horizon 2020 – The Framework Programme for Research and Innovation	Excellence science - European Research Council	145,9	151,6
	Excellence science – Research infrastructures – strengthening European research infrastructures, including e-infrastructures	72,5	50,0
	Industrial leadership – boosting Europe's industrial leadership through research, technological development, demonstration and innovation in the following enabling and industrial technologies (information and communication technologies; nanotechnologies; advanced materials; biotechnology; advanced manufacturing and processing; space)	144,7	226,4
	Societal challenges – securing sufficient supplies of safe, healthy and high quality food and other bio-based products, by developing productive, sustainable and resource-efficient primary production systems, fostering related ecosystem services and the recovery of biological diversity, alongside competitive and low carbon supply, processing and marketing chains	276,2	201,2
	Societal challenges – making the transition to a reliable, affordable, publicly accepted, sustainable and competitive energy system, aiming at reducing fossil fuel dependency, in the face of increasingly scarce resources, increasing energy needs and climate change	722,9	722,3
	Societal challenges – achieving a European transport system that is resource-efficient, climate- and environmentally-friendly, safe and seamless for the benefit of all citizens, the economy and society	452,4	503,4
	Societal challenges – achieving a resource – and water – efficient and climate change resilient economy and society, protection and sustainable management of natural resources and ecosystems and a sustainable supply and use of raw materials, in order to meet the needs of a growing global population within the sustainable limits of the planet's natural resources and ecosystems	149,4	136,7
	Societal challenges – fostering secure European societies in a context of unprecedented transformations and growing global interdependencies and threats, while strengthening the European culture of freedom and justice	2,8	7,4
	Science with and for society	0,0	1,2
	Non-Nuclear Direct Actions of the Joint Research Centre – providing customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands	7,6	8,2
	The European Institute of Innovation and Technology – integrating the knowledge triangle of higher education, research and innovation and thus to reinforce the Union's innovation capacity and address societal challenges	79,3	120,3
	Total	2 053,7	2 128,7
Connecting Europe Facility (CEF)	Contributing to sustainable development and protection of the environment, notably by fostering the integration of energy from renewable sources into the transmission network and development of smart energy networks and carbon dioxide networks	1 521,0	1 298,0
	Transport: Energy:	248,0	296,0
	Total	1 769,0	1 594,0
Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)	Enterprise Europe Network	13,1	15,9
	Financial instruments: venture capital	8,0	8,0
	Total	21,1	23,9
HEADING 1b — COHESION POLICY			
European Regional Development Fund (ERDF)	Supporting the shift towards a low-carbon economy in all sectors	3 326,8	3 542,8
	Promoting sustainable transport and removing bottlenecks in key network	665,3	708,6

¹⁰⁸ Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

Programme	Objectives (Outputs)	Budget 2016 ¹⁰⁸	Draft budget 2017
	infrastructures		
	Promoting climate change adaptation, risk prevention and management	396,0	421,7
	Preserving and protecting the environment and promoting resource efficiency	282,9	301,2
	Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)	142,8	152,1
	All other thematic objectives	145,4	154,9
	Total	4 959,2	5 281,3
Cohesion Fund (CF)	Promoting sustainable transport and removing bottlenecks in key network infrastructures	1 032,6	1 073,2
	Supporting the shift towards a low-carbon economy in all sectors	862,0	895,9
	Promoting climate change adaptation, risk prevention and management	330,7	343,6
	Preserving and protecting the environment and promoting resource efficiency	190,0	197,5
	Total	2 415,3	2 510,2
HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES			
European Agricultural Guarantee Fund (EAGF)	To contribute to the development of sustainable agriculture through the "green direct payment" and cross compliance	7 937,7	8 013,5
	Total	7 937,7	8 013,5
European Agricultural Fund for Rural Development (EAFRD)	Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	10 744,0	8 260,0
	Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		
	Total	10 744,0	8 260,0
European Maritime and Fisheries Fund (EMFF)	Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture	142,5	144,8
	Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy		
	Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas		
	Fostering the implementation of the Common Fisheries Policy		
	Total	142,5	144,8
Programme for the Environment and Climate Action (LIFE)	Contributing to the reduction of greenhouse gas emissions	49,4	53,3
	Contributing to increased resilience to climate change	48,8	51,7
	Support better climate governance and information	13,5	14,2
	Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation	45,7	49,5
	Halting and reversing the biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems	66,2	66,3
	Total	223,6	235,0
HEADING 3 — SECURITY AND CITIZENSHIP			
Union Civil Protection Mechanism	To achieve a high level of protection against disasters by preventing or reducing their effects and by fostering a culture of prevention	5,4	5,8
	Total	5,4	5,8
HEADING 4 — GLOBAL EUROPE			
Union Civil Protection Mechanism	To achieve a high level of protection against disasters by preventing or reducing their effects and by fostering a culture of prevention	2,1	2,1
	Total	2,1	2,1
Instrument for Pre-accession Assistance (IPA II)	Support for economic, social and territorial development	222,3	305,4
	Strengthening the ability of the beneficiaries to fulfil the obligations stemming from Union membership and Strengthening regional integration and territorial cooperation		
	Total	222,3	305,4
EU Aid Volunteers initiative (EUAV)	Training, capacity building and deployments to focus amongst other on disaster risk reduction and prevention of climate related disasters	1,7	2,5
	Total	1,7	2,5
Instrument of financial support for encouraging the economic development of the Turkish	Waste water re-use	4,5	4,8
	Renewable energy	0,0	0,2
	Solid waste recycling	0,5	3,5

Programme	Objectives (Outputs)	Budget 2016 ¹⁰⁸	Draft budget 2017
Cypriot community	Total	5,0	8,5
European Neighbourhood Instrument (ENI)	Sustainable and inclusive development in all aspects, poverty reduction, including through private-sector development; promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience.	232,9	246,4
	Enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation	12,1	12,8
	Total	245,0	259,2
European Instrument for Democracy and Human Rights (EIDHR)	Support to Human Rights and Human Rights Defenders in situations where they are most at risk	5,0	10,0
	Total	5,0	10,0
Development Cooperation Instrument (DCI)	Poverty reduction and fostering sustainable economic, social and environmental development	488,3	480,1
	Total	488,3	480,1
Cooperation with Greenland	To contribute to the capacity of the Greenlandic administration to formulating and implementing national policies in particular in new areas of mutual interest	6,8	6,9
	Total	6,8	6,9
Instrument contributing to Stability and Peace	Addressing global and trans-regional effects of climate change having a potentially destabilising impact	0,0	5,5
	Total	0,0	5,5
Partnership Instrument for cooperation with third countries (PI)	To support the Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern	29,9	23,0
	Implementing the international dimension of "Europe 2020 – A strategy for smart, sustainable and inclusive growth"		
	Improving access to third country markets and boosting trade, investment and business opportunities for European companies, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation		
	Total	29,9	23,0
Humanitarian Aid	Disaster preparedness activities aiming to increase the resilience of local communities to withstand climate related disasters	37,9	43,1
	Total	37,9	43,1
Total Climate Change		31 516,3	29 557,1
Total EU Budget (Commission – Section III)		151 241,6	153 757,8
Climate Change / EU Budget		20,8%	19,2%

6.3.2 Biodiversity

Protecting biodiversity and strengthening the resilience of ecosystems will make an important contribution to our sustainable growth objectives. As foreseen in the Commission Communication ‘A budget for Europe 2020’, financing the EU Biodiversity Strategy to 2020¹⁰⁹ and its objective to halt and reverse the decline of biodiversity in the EU requires the mainstreaming of biodiversity throughout the EU budget, both within the EU via the main funding instruments and through external action funding.

On the external front, the EU, along with other participating parties at the 12th meeting of the Conference of the Parties to the ‘United Nations Convention on Biological Diversity’ (CBD COP12) in October 2014 in Pyeongchang, confirmed its commitment, to an overall substantial increase of total biodiversity-related funding from a variety of sources, and in particular to double total biodiversity-related international financial flows to developing countries by 2015 and at least maintain this level until 2020¹¹⁰.

Parties also committed to mobilise domestic financial resources from all sources to reduce the gap between identified needs and available resources at domestic level, and to report on and monitor the resources mobilised for biodiversity domestically and internationally.

To maximise synergies between different policy objectives, a tracking procedure for biodiversity-related expenditure similar to that proposed for climate-related spending has been developed and integrated in the existing methodology for measuring performance used for EU programmes. The biodiversity tracking methodology is largely based on the ‘Rio markers’ established by the OECD (see section 6.3.1 above), whilst taking into account the specificities of each policy area. An improved methodology to ensure a more consistent approach across the EU budget was agreed with relevant services in 2015¹¹¹. This methodology was applied to the extent possible ex post for reporting to the Convention on Biological Biodiversity (CBD)¹¹².

The table below incorporates forecasts for the draft budget 2017, taking into account the improved tracking methodology and the state of play in programming. With the aim of having comparable data, the figures for 2016 have also been updated to reflect the improved tracking methodology and new information available. The figures show that the total contribution to mainstreaming biodiversity is expected to be EUR 12 650,4 million in 2017 (or 8,2 % of proposed total commitment appropriations) compared to EUR 13 661,1 million in 2016 (or 9,0 % of total commitment appropriations).

Based on the experience of reporting to the CBD, the Commission will continue to improve the biodiversity tracking methodology and will update estimates in future communications where relevant.

¹⁰⁹ ‘Our life insurance, our natural capital: an EU biodiversity strategy to 2020’, COM(2011) 244, 3.5.2011.

¹¹⁰ See full text in the CBD COP12 decision XII/3, article 1: <https://www.cbd.int/decision/cop/default.shtml?id=13366>.

¹¹¹ http://ec.europa.eu/environment/nature/biodiversity/financing_en.htm

¹¹² See and <https://chm.cbd.int/search/reporting-map?filter=resourceMobilisation>

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

Programme	Objectives (Outputs)	Budget 2016 ¹¹³	Draft budget 2017
HEADING 1a — COMPETITIVENESS FOR GROWTH AND JOBS			
European Earth Observation Programme (Copernicus)	Deliver accurate and reliable data and information to Copernicus users (The Copernicus Land monitoring service will provide information including on the dynamics of monitoring of biodiversity)	6,7	6,8
	Output in terms of contribution made by data from Sentinel satellites	97,0	101,0
	Total	103,7	107,8
Horizon 2020 – The Framework Programme for Research and Innovation	Societal challenges – securing sufficient supplies of safe, healthy and high quality food and other bio-based products, by developing productive, sustainable and resource-efficient primary production systems, fostering related ecosystem services and the recovery of biological diversity, alongside competitive and low carbon supply, processing and marketing chains	143,2	0,0
	Societal challenges – achieving a resource – and water – efficient and climate change resilient economy and society, protection and sustainable management of natural resources and ecosystems and a sustainable supply and use of raw materials, in order to meet the needs of a growing global population within the sustainable limits of the planet's natural resources and ecosystems	53,8	47,8
	Non-Nuclear Direct Actions of the Joint Research Centre – providing customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands	3,8	4,1
	Total	200,8	51,9
HEADING 1b — COHESION POLICY			
European Regional Development Fund (ERDF)	Preserving and protecting the environment and promoting resource efficiency	592,7	631,2
	Promoting climate change adaptation, risk prevention and management	184,2	196,1
	Promoting sustainable and quality employment and supporting labour mobility	17,3	18,5
	Supporting the shift towards a low-carbon economy in all sectors	8,6	9,2
	Other thematic objectives : SMEs, sustainable transport, social inclusion and institutional capacity	5,8	6,1
	Total	808,6	861,1
Cohesion Fund (CF)	Preserving and protecting the environment and promoting resource efficiency	486,6	505,8
	Promoting climate change adaptation, risk prevention and management	170,1	176,8
	Others: low-carbon economy and promoting sustainable transport	3,5	3,6
	Total	660,2	686,2
HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES			
European Agriculture Guarantee Fund (EAGF)	Contribute to the development of sustainable agriculture and to making the Common Agricultural Policy more compatible with the expectations of the society through cross-compliance. Contribute preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water. Contribute avoiding a massive conversion into arable land	6 030,1	6 063,8
	Total	6 030,1	6 063,8
European Agricultural Fund for Rural Development (EAFRD)	Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	5 529,0	4 251,0
	Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		
	Total	5 529,0	4 251,0
European Maritime and Fisheries Fund (EMFF)	Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture	142,5	144,8
	Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy		
	Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas		
	Fostering the implementation of the Common Fisheries Policy		
	Total	142,5	144,8
Programme for the Environment	Contribute to a greener and more resource-efficient economy and to the	45,7	49,5

¹¹³ Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

Programme	Objectives (Outputs)	Budget 2016 ¹¹³	Draft budget 2017
and Climate Action (LIFE)	development and implementation of EU environmental policy and legislation		
	Halting and reversing the biodiversity loss, including the support of the Natura 2000 network and tackling the degradation of ecosystems	157,2	165,5
	Support better environmental governance and information at all levels	11,0	12,0
	Contributing to increased resilience to climate change	23,0	21,2
	Total	236,9	248,2
HEADING 4 — GLOBAL EUROPE			
Instrument of financial support for encouraging the economic development of the Turkish Cypriot community	Project implemented under indirect management by the United Nations Development Programme on management centres for potential Natura 2000 sites	1,0	0,5
	Total	1,0	0,5
European Neighbourhood Instrument (ENI)	Sustainable and inclusive development in all aspects, poverty reduction, including through private-sector development; promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience Enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation	76,2	60,7
	Total	76,2	60,7
Development Cooperation Instrument (DCI)	Poverty reduction and fostering sustainable economic, social and environmental development	177,2	174,3
	Total	177,2	174,3
Partnership Instrument for cooperation with third countries (PI)	To support the Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern	3,4	3,5
	Total	3,4	3,5
Total Biodiversity		13 661,1	12 650,4
Total EU budget (Commission — Section III)		151 241,6	153 757,8
Biodiversity / EU budget		9,0%	8,2%

6.4 Annex IV — Bodies set up by the European Union and having legal personality

6.4.1 *Decentralised agencies*

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

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
European Chemicals Agency (ECHA) — Chemicals legislation	02 03 03	Helsinki	2006	98,351	72,805	72,805	0,000	98,071	70,883	69,490	69,490	0,000	-4,6%	-4,6%	Cruising speed
Authorised establishment plan				420	420			410	410	410			-10		
European GNSS Agency (GSA) ⁽²⁾	02 05 11	Prague	2004	29,086	28,350	27,888	0,462	28,582	27,847	27,847	26,523	1,324	-1,8%	-4,9%	New tasks
Authorised establishment plan				113	113			116	116	116			3		
European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)	04 03 11	Dublin	1975	20,560	20,371	20,360	0,011	20,571	20,371	20,371	20,364	0,007	0,0%	0,0%	Cruising speed
Authorised establishment plan				95	95			95	95	93			-2		
European Agency for Safety and Health at Work (EU-OSHA)	04 03 12	Bilbao	1994	15,240	14,679	14,663	0,016	15,239	14,679	14,679	14,514	0,165	0,0%	-1,0%	Cruising speed
Authorised establishment plan				41	41			41	41	40			-1		
European Centre for the Development of Vocational Training (CEDEFOP)	04 03 13	Thessaloniki	1975	17,910	17,434	17,051	0,383	17,919	17,434	17,434	17,375	0,059	0,0%	1,9%	Cruising speed
Authorised establishment plan				94	94			92	92	92			-2		
European Aviation Safety Agency (EASA)	06 02 02	Köln	2002	176,479	36,370	34,819	1,551	171,175	36,445	35,985	34,184	1,801	-1,1%	-1,8%	New tasks
Authorised establishment plan				676	676			679	679	678			2		
European Maritime Safety Agency (EMSA)	06 02 03	Lisbon	2002	56,120	53,379	51,149	2,230	75,273	72,859	72,359	71,398	0,961	35,6%	39,6%	New tasks
Of which anti-pollution measures	06 02 03 02				21,600	21,600			22,800	22,800	22,800		5,6%	5,6%	
Authorised establishment plan				202	202			212	212	212			10		
European Union Agency for Railways (ERA)	06 02 04	Lille Valenciennes	2004	26,696	26,000	25,213	0,787	31,844	31,000	30,000	29,643	0,357	15,4%	17,6%	New tasks
Authorised establishment plan				135	135			145	145	139			4		
European Network and Information Security Agency (ENISA)	09 02 03	Heraklion	2004	11,037	10,120	10,070	0,050	16,296	15,240	10,322	10,242	0,080	2,0%	1,7%	Cruising speed
Authorised establishment plan				48	48			73	73	48			0		

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
Body of European Regulators for Electronic Communications (BEREC) — Office	09 02 04	Riga	2009	4,246	4,246	4,072	0,174	4,246	4,246	4,246	4,026	0,220	0,0%	-1,1%	Cruising speed
<i>Authorised establishment plan</i>				15	15			15	15	14			-1		
European Banking Authority (EBA)	12 02 04	London	2010	38,064	14,678	14,565	0,113	42,896	16,592	15,043	14,891	0,152	2,5%	2,2%	New tasks
<i>Authorised establishment plan</i>				127	127			155	155	134			7		
European Insurance and Occupational Pensions Authority (EIOPA)	12 02 05	Frankfurt	2010	21,763	8,257	8,122	0,135	24,680	9,211	8,946	8,736	0,210	8,3%	7,6%	New tasks
<i>Authorised establishment plan</i>				93	93			109	109	101			8		
European Securities and Markets Authority (ESMA)	12 02 06	Paris	2010	39,393	10,203	10,203	0,000	42,096	11,020	11,020	10,844	0,176	8,0%	6,3%	New tasks
<i>Authorised establishment plan</i>				140	140			150	150	150			10		
Agency for the Cooperation of Energy Regulators (ACER)	32 02 10	Ljubljana	2009	15,873	15,873	15,165	0,708	19,866	19,866	13,272	12,520	0,752	-16,4%	-17,4%	Cruising speed
<i>Authorised establishment plan</i>				69	69			102	102	68			-1		
Total decentralised agencies - heading 1a				570,818	332,765	326,145	6,620	608,755	367,693	351,013	344,749	6,264	5,5%	5,7%	
<i>Of which anti-pollution measures</i>					21,600	21,600		0,000	22,800	22,800	22,800		5,6%	5,6%	
<i>Authorised establishment plan</i>				2 268	2 268			2 394	2 394	2 295			27		

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.
(2) This excludes the amount delegated to GSA (EUR 967 791 215 in 2016 and EUR 642 809 444 in 2017).

6.4.1.2 Decentralised agencies of heading 2 — Sustainable growth: natural resources

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
European Chemicals Agency (ECHA) — PIC activities	07 02 05	Helsinki	2012	1,151	1,151	1,040	0,111	1,183	1,183	1,183	1,140	0,043	2,8%	9,6%	Cruising speed
Authorised establishment plan				6	6			6	6	6			0		
European Environment Agency (EEA)	07 02 06	Copenhagen	1990	41,809	36,309	35,557	0,752	41,689	36,309	36,309	35,166	1,143	0,0%	-1,1%	Cruising speed
Authorised establishment plan				130	130			127	127	127			-3		
European Fisheries Control Agency (EFCA)	11 06 64	Vigo	2005	9,217	9,217	9,070	0,147	17,113	17,113	17,113	17,021	0,092	85,7%	87,7%	New tasks
Authorised establishment plan				51	51			61	61	61			10		
European Chemicals Agency (ECHA) — Biocides activities	17 04 07	Helsinki	2012	7,865	3,650	3,320	0,330	10,358	4,500	4,500	1,450	3,050	23,3%	-56,3%	New tasks
Authorised establishment plan				39	39			44	44	44			5		
Total decentralised agencies - heading 2				60,042	50,327	48,986	1,341	70,343	59,105	59,105	54,777	4,328	17,4%	11,8%	
Authorised establishment plan				226	226			238	238	238			12		

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

6.4.1.3 Decentralised agencies of heading 3 — Security and citizenship

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
European Centre for Disease Prevention and Control (ECDC)	17 03 10	Stockholm	2004	58,240	56,766	53,683	3,083	58,192	56,766	56,766	51,687	5,079	0,0%	-3,7%	Cruising speed
<i>Authorised establishment plan</i>				186	186			182	182	182			-4		
European Food Safety Authority (EFSA)	17 03 11	Parma	2002	79,240	77,333	76,244	1,089	80,656	77,333	77,333	76,595	0,738	0,0%	0,5%	Cruising speed

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
Authorised establishment plan				330	330			323	323	323			-7		
European Medicines Agency (EMA)	17 03 12	London	1993	324,710	26,424	24,475	1,949	337,664	40,029	37,241	24,475	12,766	40,9%	0,0%	New tasks
Of which special contribution for orphan medicinal products	17 03 12 02				9,972	9,972			13,680	13,687	13,687		37,3%	37,3%	
Authorised establishment plan				602	602			596	596	596			-6		
European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)	18 02 03	Warsaw	2004	254,035	238,686	238,686	0,000	254,274	238,686	281,267	281,267	0,000	17,8%	17,8%	New tasks
Authorised establishment plan				225	225			222	222	352			127		
European Police Office (EUROPOL)	18 02 04	The Hague	1995	102,242	102,242	99,660	2,582	117,196	117,196	112,609	111,712	0,897	10,1%	12,1%	New tasks
Authorised establishment plan				505	505			551	551	520			15		
European Union Agency for Law Enforcement Training (CEPOL)	18 02 05	Budapest	2005	8,641	8,641	8,411	0,230	8,813	8,813	9,280	8,721	0,559	7,4%	3,7%	New tasks
Authorised establishment plan				28	28			30	30	31			3		
European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu.LISA)	18 02 07	Tallinn – Strasbourg	2011	82,268	80,022	80,022	0,000	83,891	83,891	153,334	153,334	0,000	91,6%	91,6%	New tasks
Authorised establishment plan				118	118			115	115	131			13		
European Asylum Support Office (EASO)	18 03 02	Valletta	2010	20,828	19,440	18,666	0,774	27,439	26,145	66,206	66,206	0,000	240,6%	254,7%	New tasks
Authorised establishment plan				91	91			125	125	155			64		
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	18 06 02	Lisbon	1993	15,394	14,794	14,724	0,070	15,455	14,794	15,136	15,082	0,054	2,3%	2,4%	New tasks
Authorised establishment plan				79	79			79	79	77			-2		
European Union Agency for Fundamental Rights (FRA)	33 02 06	Vienna	2007	21,359	21,359	21,203	0,156	23,586	23,586	22,567	22,463	0,104	5,7%	5,9%	Cruising speed
Authorised establishment plan				74	74			76	76	72			-2		
European Institute for Gender	33 02 07	Vilnius	2006	7,628	7,628	7,527	0,101	7,628	7,628	7,628	7,458	0,170	0,0%	-0,9%	Cruising speed

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
Equality (EIGE)															
<i>Authorised establishment plan</i>				28	28			27	27	27			-1		
European Body for the Enhancement of Judicial Cooperation (EUROJUST)	33 03 04	The Hague	2002	43,540	43,540	42,949	0,591	53,371	53,371	47,704	47,107	0,597	9,6%	9,7%	Cruising speed
<i>Authorised establishment plan</i>				203	203			205	205	198			-5		
Total decentralised agencies - heading 3				1 018,125	696,874	686,249	10,625	1 068,165	748,238	887,071	866,107	20,964	27,3%	26,3%	
<i>Of which special contribution for orphan medicinal products</i>					9,972	9,972			13,680	13,687	13,687		37,3%	37,3%	
<i>Authorised establishment plan</i>				2 469	2 469			2 531	2 531	2 664			195		

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

6.4.1.4 Decentralised agency of heading 4 — Global Europe

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
European Training Foundation (ETF)	04 03 14	Turin	1990	20,145	20,145	19,956	0,189	20,144	20,144	20,144	19,771	0,373	0,0%	-0,9%	Cruising speed
Authorised establishment plan				90	90			88	88	88			-2		
Total decentralised agencies - heading 4				20,145	20,145	19,956	0,189	20,144	20,144	20,144	19,771	0,373	0,0%	-0,9%	
Authorised establishment plan				90	90			88	88	88			-2		
(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.															

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

6.4.1.5 Decentralised agency of heading 5 — Administration

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
Translation Centre for the Bodies of the European Union	31 01 10	Luxembourg	1994	50,785	0,000	0,000	0,000	49,371	0,000	0,000	0,000	0,000	0,0%	0,0%	Cruising speed
Authorised establishment plan				197	197			195	195	195			-2		
Total decentralised agencies - heading 5				50,785	0,000	0,000	0,000	49,371	0,000	0,000	0,000	0,000	0,0%	0,0%	
Authorised establishment plan				197	197			195	195	195			-2		
(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.															

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

6.4.2 Fully self-financed decentralised agencies – EUIPO - CPVO

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution (2)	Of which budget	Of which assigned revenues			Total EU contribution (2)	Of which DB	Of which assigned revenues			
European Union Intellectual Property Office (EUIPO)		Alicante	1993	398,043	0,000	0,000		405,398	0,000	0,000	0,000		0,0%	0,0%	Cruising speed
Authorised establishment plan				810	810			818	818	792			-18		
Community Plant Variety Office (CPVO)		Angers	1994	15,450	0,000	0,000		15,852	0,000	0,000	0,000		0,0%	0,0%	Cruising speed
Authorised establishment plan				45	45			44	44	44			-1		
Total self-financed decentralised agencies				413,493	0,000	0,000		421,250	0,000	0,000	0,000		0,0%	0,0%	
Authorised establishment plan				855	855			862	862	836			-19		

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

(2) The Commission does not include the establishment plans of the fully self-financed agencies EUIPO (former OHIM) and CPVO in the official volumes of the draft budget. However, the Commission is of the opinion that the 5 % staff reduction applicable to EU institutions and bodies should be applied to all decentralised agencies, irrespective of their funding structure. This is why a reduction in the number of posts for EUIPO is shown in the column 'Foreseen EU contribution' for 2016. For CPVO, the number of posts shown for 2016 (45) corresponds to the agency's own draft estimates.

6.4.2.1 Fully self-financed decentralised agencies - SRB

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution (²)	Of which budget	Of which assigned revenues			Total EU contribution (²)	Of which DB	Of which assigned revenues			
Single Resolution Board (SRB)	12 02 07	Brussels	2014	57,000	0,000	0,000		86,666	0,000	0,000	0,000		0,0%	0,0%	New tasks
Authorised establishment plan				230	230			350	350	350			120		

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

(2) As set out in the Commission Communication of July 2013, the SRB as a completely new body falls outside the scope of the 5 % staff reduction applicable to EU institutions and bodies. The Commission notes that the estimated revenues and staff numbers are still provisional, and that they are not yet adopted by the SRB Board.

6.4.2.2 Total of decentralised agencies

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
Total decentralised agencies (incl. Single Resolution Board)				2 190,408	1 100,112	1 081,337	18,775	2 327,694	1 195,180	1 317,333	1 285,404	31,929	19,7%	18,9%	
<i>Authorised establishment plan</i>				6 335	6 335			6 658	6 658	6 666			331		
Total decentralised agencies (excl. Single Resolution Board)				2 133,408	1 100,112	1 081,337	18,775	2 238,028	1 195,180	1 317,333	1 285,404	31,929	19,7%	18,9%	
<i>Authorised establishment plan</i>				6 105	6 105			6 308	6 308	6 316			211		
Of which ‘cruising speed’ decentralised agencies				920,607	419,759	412,344	7,415	949,279	439,039	419,448	409,918	9,530	-0,1%	-0,6%	
<i>Authorised establishment plan</i>				2 881	2 881			2 919	2 919	2 819			-62		
Of which ‘new tasks’ decentralised agencies				1 269,801	680,353	668,993	11,361	1 378,416	756,141	897,885	875,486	22,399	32,0%	30,9%	
<i>Authorised establishment plan</i>				3 454	3 454			3 739	3 739	3 847			393		

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾				Draft budget (DB) 2017					Variation 2017 / 2016		Classification DB 2017
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
Total decentralised agencies (excl. fully self-financed agencies EUIPO, CPVO and SRB)				1 719,915	1 100,112	1 081,337	18,775	1 816,778	1 195,180	1 317,333	1 285,404	31,929	19,7%	18,9%	
<i>Authorised establishment plan</i>				5 250	5 250			5 446	5 446	5 480			230		
Total decentralised agencies (excl. Single Resolution Board and migration and security reinforcements and pilot case on EASA)				2 131,381	940,928	922,153	18,775	2 237,856	1 195,180	964,040	932,140	31,900	2,5%	1,1%	
<i>Authorised establishment plan</i>				5 922	5 922			5 863	5 863	5 863			-59		

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

6.4.3 *Joint undertakings and joint technology initiatives*

6.4.3.1 Joint undertakings under Article 208 of the Financial Regulation

(in million EUR)

Name of the Joint Undertaking	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017			Variation EU contribution 2017 / 2016
				Total revenues of the Joint Undertaking	Of which EU contribution	Revenues ⁽²⁾ estimated by the Joint Undertaking	Of which Joint Undertaking contribution request	EU contribution (DB 2017)	
Single European Sky Air Traffic Management Research 2 Joint Undertaking (SESAR2)		Brussels	2014						
Single European Sky Air Traffic Management Research (SESAR) Joint Undertaking — Support expenditure	06 03 07 31				0,000		3,300	3,242	100,0%
Single European Sky Air Traffic Management Research 2 (SESAR2) Joint Undertaking	06 03 07 32				60,000		96,670	96,758	61,3%
Total SESAR2				97,823	60,000	108,908	100,000	100,000	66,7%
<i>Authorised establishment plan</i>				39	39		39	39	0
Construction, operation and exploitation of the ITER facilities - European Joint Undertaking for ITER - Fusion for Energy (F4E)		Barcelona	2007						
Construction, operation and exploitation of the ITER facilities — European Joint Undertaking for ITER — Fusion for Energy (F4E) — Support expenditure	32 05 01 01				44,737		48,600	47,547	6,3%
Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER — Fusion for Energy (F4E)	32 05 01 02				275,475		268,694	271,513	-1,4%
Total F4E				455,840	320,212	564,228	317,294	319,060	-0.4%
<i>Authorised establishment plan</i>				283	283		283	283	0
Total Joint Undertakings				553,663	380,212	673,136	417,294	419,060	10,2%
<i>Authorised establishment plan</i>				322	322		322	322	0

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.
(2) This amount includes the appropriations foreseen in the 2017 DB, the estimated EFTA contribution and contributions from the participating Member States and from the private sector. The EU contribution frontloaded in 2013 to cover the 2014-2017 running costs of SESAR is excluded.

6.4.3.2 Joint technology initiatives under Article 209 of the Financial Regulation

Name of the Joint Technology Initiative (JTI)	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017			Variation EU contribution 2017 / 2016
				Total revenues of the JTI	Of which EU contribution	Revenues ⁽²⁾ estimated by the JTI	Of which JTI contribution request	EU contribution (DB 2017) ⁽³⁾	
Shift2Rail (S2R) Undertaking		Brussels	2014						
Shift2Rail (S2R) Joint Undertaking — Support expenditure	06 03 07 33				1,578		1,580	1,580	0,2%
Shift2Rail (S2R) Joint Undertaking	06 03 07 34				44,046		60,043	60,043	36,3%

Name of the Joint Technology Initiative (JTI)	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017			Variation EU contribution 2017 / 2016
				Total revenues of the JTI	Of which EU contribution	Revenues ⁽²⁾ estimated by the JTI	Of which JTI contribution request	EU contribution (DB 2017) ⁽³⁾	
Total S2R				48,490	45,624	63,246	61,623	61,623	35,1%
<i>Establishment plan</i>				4	4		5	5	1
Innovative Medicines Initiative 2 Joint Undertaking (IMI2)		Brussels	2014						
Innovative Medicines Initiative 2 (IMI2) Joint Undertaking — Support expenditure	08 02 07 31				1,200		1,265	1,265	5,4%
Innovative Medicines Initiative 2 (IMI2) Joint Undertaking	08 02 07 32				197,787		173,798	173,798	-12,1%
Total IMI2				212,732	198,987	188,443	175,063	175,063	-12,0%
<i>Establishment plan</i>				38	38		39	39	1
Bio-Based Industries Joint Undertaking (BBI)		Brussels	2014						
Bio-Based Industries (BBI) Joint Undertaking — Support expenditure	08 02 07 33				1,946		2,285	2,285	17,4%
Bio-Based Industries (BBI) Joint Undertaking	08 02 07 34				156,136		78,889	78,889	-49,5%
Total BBI				165,341	158,083	86,012	81,174	81,174	-48,7%
<i>Establishment plan</i>				13	13		13	13	0
Clean Sky 2 Joint Undertaking (Clean Sky 2)		Brussels	2014						
Clean Sky 2 Joint Undertaking — Support expenditure	08 02 07 35				2,626		3,038	3,038	15,7%
Clean Sky 2 Joint Undertaking	08 02 07 36				194,774		189,833	189,833	-2,5%
Total Clean Sky 2				258,670	197,399	202,265	192,871	192,871	-2,3%
<i>Establishment plan</i>				36	36		36	36	0
Fuel Cells and Hydrogen 2 Joint Undertaking (FCH2)		Brussels	2014						
Fuel Cells and Hydrogen 2 (FCH2) Joint Undertaking — Support expenditure	08 02 07 37				0,455		0,055	0,055	-87,9%
Fuel Cells and Hydrogen 2 (FCH2) Joint Undertaking	08 02 07 38				102,166		91,990	91,990	-10,0%
Total FCH2				123,906	102,621	99,617	92,045	92,045	-10,3%
<i>Establishment plan</i>				24	24		24	24	0
Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL)		Brussels	2014						
Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking — Support expenditure	09 04 07 31				1,019		1,377	1,377	35,1%
Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking	09 04 07 32				153,127		168,038	168,038	9,7%
Total ECSEL				162,507	154,146	180,300	169,415	169,415	9,9%
<i>Establishment plan</i>				14	14		14	14	0
Total Joint Technology Initiatives				971,646	856,860	819,883	772,191	772,191	-9,9%
<i>Establishment plan</i>				129	129		131	131	2

Name of the Joint Technology Initiative (JTI)	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017			Variation EU contribution 2017 / 2016
				Total revenues of the JTI	Of which EU contribution	Revenues ⁽²⁾ estimated by the JTI	Of which JTI contribution request	EU contribution (DB 2017) ⁽³⁾	
(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.									
(2) This amount includes the appropriations foreseen in the 2017 DB, the estimated EFTA contribution and contributions from the participating Member States and from the private sector. The EU contribution frontloaded in 2013 to cover the 2014-2017 running costs of the previous JTIs is excluded.									
(3) The number of establishment plan posts shown for 2017 corresponds to the staffing foreseen in the legislative financial statements accompanying the Commission proposals for the new generation of JTIs, as proposed in July and December 2013. However, the number of posts foreseen for BBI takes account of the need to align the staff mix of this JTI with other comparable JTIs.									

6.4.3.3 Total of joint undertakings and joint technology initiatives

Total of the Joint Undertakings and Joint Technology Initiatives	Budget line	Location	Year of creation	Budget 2016 ⁽¹⁾		Draft budget (DB) 2017			Variation EU contribution 2017 / 2016
				Total revenues of the Joint Undertaking / JTI	Of which EU contribution	Revenues ⁽²⁾ estimated by the Joint Undertaking / JTI	Of which Joint Undertaking / JTI contribution request	EU contribution (DB 2017)	
Total Joint Undertakings and Joint Technology Initiatives				1 525,309	1 237,072	1 493,019	1 189,485	1 191,251	-3,7%
<i>Establishment plan</i>					<i>451</i>		<i>453</i>	<i>453</i>	<i>2</i>
(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.									
(2) This amount includes the appropriations foreseen in the 2017 DB, the estimated EFTA contribution and contributions from the participating Member States and from the private sector. The EFTA contribution included for 2017 is calculated on the basis of the 2016 contribution, i.e. 2,73%. The EU contribution frontloaded in 2013 to cover the 2014-2017 running costs is excluded.									

6.4.4 European institute of innovation and technology

(in million EUR)

(in million EUR)

European Institute of Innovation and Technology (EIT)	Budget line	Location	Year of creation	Budget		Draft budget (DB)			Variation
				2016 ⁽¹⁾		2017			
				Total revenues of the EIT	Of which EU contribution	Revenues estimated by the EIT	Of which EIT contribution request	EU contribution (DB 2017)	EU contribution 2017 / 2016
European Institute of Innovation and Technology - integrating the knowledge triangle of higher education, research and innovation	15 03 05	Budapest	2008	285,032	224,939	322,379	300,427	300,427	33,6 %
Authorised establishment plan					39	41	41	41	2

(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.

6.4.5 Executive agencies

(in million EUR)

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in %	Staffing of the executive agency							
							Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾	
				Budget 2016 ⁽¹⁾	DB 2017	DB 2017 / 2016	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017
Executive Agency for Small and Medium-sized Enterprises (EASME)		Brussels	2004											
Executive Agency for Small and Medium-sized Enterprises — Contribution from Competitiveness of enterprises and small and medium-sized enterprises (COSME)	02 01 06 01			8,786	9,024	2,7%								
Executive Agency for Small and Medium-sized Enterprises — Contribution from LIFE	07 01 06 01			4,472	5,286	18,2%								
Executive Agency for Small and Medium-sized Enterprises — Contribution from Horizon 2020	08 01 06 03			24,877	27,390	10,1%								
Executive Agency for Small and Medium-sized Enterprises — Contribution from European Maritime and Fisheries Fund (EMFF)	11 01 06 01			2,948	2,948	0,0%								
Total EASME				41,083	44,648	8,7%	108	110	329	337	0	0	437	447
Executive Agency for Education, Audiovisual and Culture (EACEA)		Brussels	2005											
Education, Audiovisual and Culture Executive Agency — Contribution from Erasmus+	15 01 06 01			26,112	25,615	-1,9%								
Education, Audiovisual and Culture Executive Agency — Contribution from Creative Europe	15 01 06 02			12,199	12,176	-0,2%								
Education, Audiovisual and Culture Executive Agency — Contribution from the programme 'Europe for citizens'	18 01 06 01			2,203	2,203	0,0%								
Education, Audiovisual and Culture Executive Agency — Contribution from the Partnership Instrument	19 01 06 01			0,230	0,194	-15,7%								
Education, Audiovisual and Culture Executive Agency — Contribution from Development Cooperation Instruments (DCIs)	21 01 06 01			2,332	2,650	13,6%								
Education, Audiovisual and Culture Executive Agency — Contribution from the Instrument for Pre-accession Assistance	22 01 06 01			0,820	0,789	-3,8%								
Education, Audiovisual and Culture Executive Agency — Contribution from European Neighbourhood Instrument (ENI)	22 01 06 02			2,550	2,415	-5,3%								
Education, Audiovisual and Culture Executive Agency	23 01 06 01			0,989	1,039	5,1%								

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in %	Staffing of the executive agency							
							Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾	
				Budget 2016 ⁽¹⁾	DB 2017	DB 2017 / 2016	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017
— Contribution from EU Aid Volunteers initiative														
Total EACEA				47,435	47,081	-0,7%	110	110	332	332	0	0	442	442
Consumers, Health and Food Executive Agency (CHAFAEA)		Luxemburg	2005											
Consumer, Health, Agriculture and Food Executive Agency — Contribution from the agricultural promotion programme	05 01 06 01			1,448	2,500	72,6%								
Consumers, Health, Agriculture and Food Executive Agency — Contribution from the 'Third programme for the Union's action in the field of health (2014-2020)'	17 01 06 02			4,209	4,209	0,0%								
Consumers, Health, Agriculture and Food Executive Agency — Contribution in the field of food and feed safety, animal health, animal welfare and plant health	17 01 06 03			1,170	1,170	0,0%								
Consumers, Health, Agriculture and Food Executive Agency — Contribution from the Consumer programme	33 01 06 01			1,691	1,691	0,0%								
Total CHAFAEA				8,518	9,570	12,3%	15	17	45	48	0	0	60	65
Innovation and Networks Executive Agency (INEA)		Brussels	2006											
Innovation and Networks Executive Agency — Contribution from Connecting Europe Facility (CEF)	06 01 06 01			15,010	14,252	-5,1%								
Innovation and Networks Executive Agency — Contribution from the Cohesion Fund	06 01 06 03			4,153	5,101	22,8%								
Innovation and Networks Executive Agency — Contribution from Horizon 2020	08 01 06 04			4,849	5,352	10,4%								
Total INEA				24,013	24,704	2,9%	63	68	184	199	0	0	247	267
European Research Council Executive Agency (ERCEA)		Brussels	2007											
European Research Council Executive Agency — contribution from Horizon 2020	08 01 06 01			40,981	45,122	10,1%								
Total ERCEA				40,981	45,122	10,1%	112	118	319	334	16	16	447	468
Research Executive Agency (REA)		Brussels	2007											
Research Executive Agency — Contribution from Horizon 2020	08 01 06 02			59,972	62,627	4,4%								
Total REA				59,972	62,627	4,4%	163	167	486	503	0	0	649	670
Total executive agencies				222,003	233,752	5,3%	571	590	1 695	1 753	16	16	2 282	2 359

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in %	Staffing of the executive agency							
				Budget	DB		Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾	
				Budget 2016 ⁽¹⁾	DB 2017	DB 2017 / 2016	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017	Budget 2016 ⁽¹⁾	DB 2017
(1) Budget 2016 includes amending budget 1 and draft amending budgets 2 and 3.														
(2) Estimate (full-time equivalents), on the basis of average costs.														