



# Investing in our future

## The European Union's Financial Framework 2007-2013

Да инвестираме в бъдещето Investire do nashi budoucnosti Investering i fremtiden  
In unsere zukunfft investieren Enevθovotoc oTo πellov μax Invirtamos en nuestro futuro  
Tulevikku investeerimine Investointi tulevaisuuteen  
Investir dans notre avenir Befektetés a jövőnkbe  
Investire nel nostro futuro Investicija i mūsų ateitį Reguldijumi mūsų nākotnē  
Investiment fil futur tagħna Investieren in onze toekomst  
Inwestujemy w przyszłość Investind in viitorul nostru  
Investovanie do našej budúcnosti Naložba v našo prihodnost En investering i framtiden



# Planning ahead for a more secure future

The budget of the European Union now stands at about 1% of the EU's GNI (Gross National Income). Yet, by focusing the funds on a selected number of political priorities, it makes a real impact both on the quality of life in Europe, and in the developing world.

The financing of these priorities has been fixed between 2007-2013 by means of a financial framework. The framework ensures financial stability of the union and allows us to carry out common policies over a period that is long enough to make them effective.

The current framework is, in many ways, a unique one. For the first time funds to boost growth and employment exceed amounts available for agriculture. New financial rules simplify access to EU funds and provide greater transparency of all beneficiaries.

The framework has also been severely tested by a number of unforeseen developments: the sharp rise in food prices in developing countries, the financial and economic crisis... The EU has managed to secure funding to respond to these events: € 1 billion Food Facility is delivering fast and tangible support to small-scale farmers in developing countries; and € 5 billion will help boost European economy through investments in innovative energy and broadband internet as part of the European Economic Recovery Plan. The framework has passed the test but its flexibility has been pushed to the limits.

The successes and limitations of the current framework will serve as a starting point to shape its successor for 2014 and beyond. This new framework will have to provide flexibility in facing up to the world's changing challenges, and security for us and the future generations of Europeans.



*Janusz Lewandowski*  
European Commissioner for Financial Programming and Budget

# Natural resources

up to  
**EUR 413 061 million**

## European Globalisation Adjustment Fund

Additional support to those workers affected by the changes in world trade patterns, assisting them with their re-training and job searches.

Up to **EUR 3 500 million**

## Solidarity Fund

For rapid financial assistance in the event of major disasters in a Member State or a candidate country.

up to **EUR 1 000 million** per year



# Sustainable growth:

Competitiveness

and Cohesion

up to  
**EUR 437 778 million**

up to

**EUR 976 billion**

for seven years

(For full breakdown, see table)

## Freedom, security and justice

up to  
**EUR 7 549 million**

## Citizenship

up to  
**EUR 4 667 million**

## European Investment Bank

Increased capacity for loans and guarantees concerning research and development, trans-European networks and small and medium-sized enterprises.



# The EU as a global player

up to  
**EUR 55 935 million**



## Flexibility instrument

Up to **EUR 1 400 million**

Specific undertakings under one or more spending categories.

## Main programmes:

### 7<sup>th</sup> research framework programmes

Enhancing research and innovation capacity across the EU, supporting researchers and their ideas, cooperating across borders.

**EUR 53 272 million**

### Trans-European networks

High-performing networks for sustainable mobility of citizens, goods and energy.

**EUR 8 168 million**

### Lifelong learning

Greater mobility and stronger links among education and training institutions.

**EUR 6 970 million**

mainly through Comenius, Erasmus, Leonardo da Vinci and Grundtvig programmes.

### Convergence

*Harmonious development throughout the EU*

Developing infrastructure and helping the regions improve their physical and human investments. New focus on research, innovation and risk prevention.

*Funded by the European Regional Development Fund, the European Social Fund and the Cohesion Fund.*

**EUR 283 853 million**

### European Energy Programme for Recovery

Financial assistance to projects in areas such as carbon capture and storage, offshore wind energy, gas and electricity infrastructure.

**EUR 3 980 million**

### Competitiveness and innovation programme

Boosting European productivity, innovation capacity and sustainable growth.

**EUR 3 621 million**

### Galileo

Worldwide satellite radionavigation and positioning for civilian use.

**EUR 3 005 million**

### Competitiveness and employment in the regions

*Transforming local economies for global competition*

Emphasising innovation and the knowledge economy, environment and risk prevention, and better connection to information and transport services.

*Funded by the European Regional Development Fund and the European Social Fund.*

**EUR 54 974 million**

### Nuclear decommissioning

Closing down old nuclear power plants: V-1 Jaslovske Bohunice in Slovakia and Ignalina in Lithuania.

**EUR 1 260 million**

### Progress: employment and social solidarity

Employment incentives, anti-discrimination, gender equality, social inclusion.

**EUR 743 million**

### Marco Polo

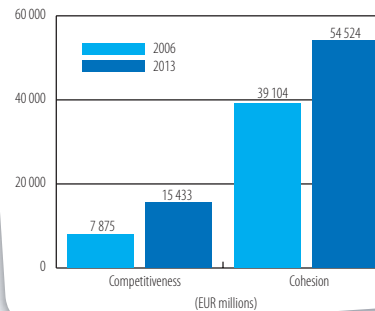
Connecting different modes of freight transport. Cleaner environment and less congestion on the roads.

**EUR 450 million**

### Customs 2013

Ensuring the safety and security of EU citizens, facilitating legitimate trade while preventing unfair and illegal trade.

**EUR 324 million**



**Boosting research, education, innovation and mobility**

**Strengthening economic potential across the EU**

### Territorial cooperation

*Growth through cross-border cooperation*

Developing cross-border activities, strengthening economic and social cooperation, and building transnational networks to share experience and resources.

*Funded by the European Regional Development Fund.*

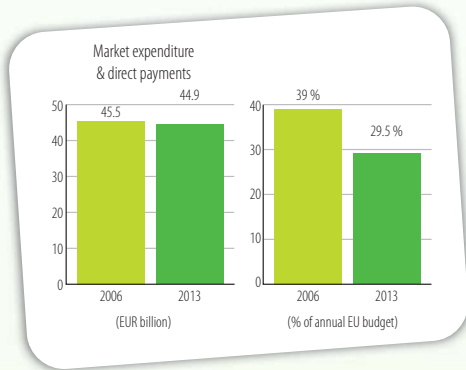
**EUR 8 723 million**

## Agriculture

*High-quality food, corresponding to real market demand, better surveillance*

Direct payments to farmers, promoting European agricultural products, intervention measures to regulate agricultural markets, refunds for agricultural exports to third countries, inspection measures and survey systems. Financed by the European Agricultural Guarantee Fund.

**EUR 313 050 million (\*)**



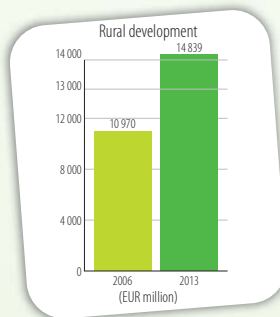
## Rural development

*Helping rural areas boost their economic potential*

Restructuring and diversifying the rural economy, creating new sources of income and protecting our rural heritage.

Financed by the European Agricultural Fund for Rural Development and funds redirected from agricultural expenditure.

**EUR 96 519 million (\*)**



(\*) after transfer to Rural Development

## Environment and quality of life

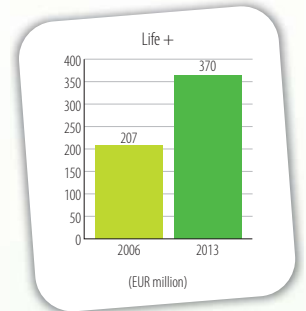
*Protecting our environment and biodiversity for us and our children*

**Life+:** Combating climate change and decline in biodiversity, improving environment, health and quality of life, promoting sustainable use and management of natural resources through innovative policies and better implementation.

**EUR 2 175 million**

**Natura 2000:** Working together to protect Europe's natural habitats and to prevent loss of biodiversity.

Mostly financed under Rural Development and the Structural Funds.



## Fisheries

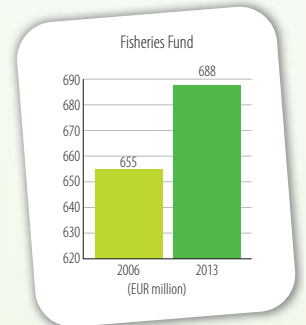
*Sustainable resources, enhanced monitoring*

**European Fisheries Fund:** Sustainable exploitation of fisheries, boosting the sector's competitiveness, protecting the aquatic environment and promoting gender equality in the fisheries sector and coastal fishing areas.

**EUR 4 340 million**

**Fisheries governance and international agreements:** Improving control of fishing activities, evaluating the state of fisheries resources and the fishing industry, agreements with third countries.

**EUR 2 104 million**



**Strengthening and diversifying rural economies,  
preserving the environment**

## Solidarity and management of migration flows

Working together for better management of migration flows into the EU.

**External Borders Fund:** Control and surveillance of borders and visa policy.

**EUR 1 820 million**

**European Return Fund:** Return of third-country nationals illegally residing in the EU.

**EUR 676 million** (2008–2013)

**European Fund for the integration of third-country nationals:**

Integration of legal residents into the host EU country.

**EUR 825 million**

**European Refugee Fund:** Supporting EU countries' efforts in receiving refugees and displaced persons; establishing common asylum procedures.

**EUR 628 million** (2008–2013)

## Reinforcing fundamental rights, fighting against terrorism and organised crime, cooperating on immigration and judicial issues



## Fundamental rights and justice

Extensive judicial cooperation in 'criminal' and 'civil and commercial' matters, respect for fundamental rights, combating violence and preventing the use of drugs.

**Fight against violence (Daphne): EUR 117 million**

**Drugs prevention and information: EUR 21 million**

**Fundamental rights and citizenship: EUR 97 million**

**Criminal justice: EUR 199 million**

**Civil Justice: EUR 109 million**

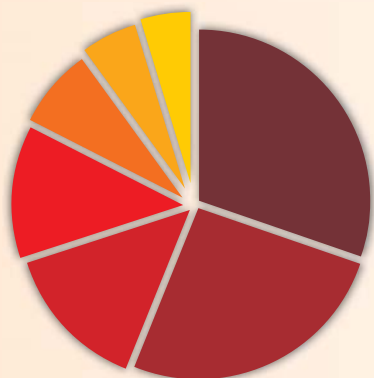
## Security and safeguarding liberties

Effective cooperation in the fight against terrorism, organised crime and general crime, provision of intelligence on a European scale in order to promote secure societies based on the rule of law.

**Prevention, preparedness and consequence management of terrorism. EUR 139 million**

**Prevention of and fight against crime. EUR 606 million**

## Sharing and promoting European culture, building solidarity...



### Youth in action:

Promoting active participation of young people in civic society, enhancing solidarity and intercultural dialogue.

**EUR 885 million**

### Media 2007:

Promoting mutual knowledge and understanding with the objective of preserving and enhancing European cultural diversity and audiovisual heritage.

**EUR 755 million**

### Culture 2007:

Enhancing cultural cooperation between European artists, cultural operators and cultural institutions.

**EUR 400 million**

### Public health:

Protecting citizens from risks and threats that are beyond the control of individuals.

**EUR 322 million** (2008–2013)

### Europe for citizens:

Contributing to intercultural dialogue and mutual understanding, communicating with EU citizens and fostering civic participation.

**EUR 215 million**

### Consumer protection:

Increasing citizens ability to make better decisions about their health and consumer interests, and improving application of consumer protection rules.

**EUR 157 million**

### Civil protection:

Providing better and quicker responses in face of major emergencies.

**EUR 134 million**

# Contributing to prosperity, stability and security beyond our borders...

## On the way to the EU

### *Pre-accession:*

Assisting candidate countries and potential candidates in institution building, regional and cross-border cooperation, regional development, rural development and human resources development.

**EUR 11 622 million**

## In our neighbourhood

### *European neighbourhood and partnership:*

Providing stability, security and prosperity through greater cooperation between the EU and its neighbours to the east and to the south. Good governance, economic and social development, improving environmental conditions.

**EUR 12 356 million**

## Across the globe

### *Development cooperation:*

Helping developing countries achieve social cohesion and economic development, institutional and democratic reinforcement, modernisation of the state and human rights, trade-related technical assistance and regional integration.

**EUR 17 298 million**

Also available:

## European Development Fund

Cooperation for economic, cultural and social development of the African, Caribbean and Pacific States.

**EUR 22.7 billion** for 2008–2013

While managed by the European Commission, the European Development Fund is financed directly by the EU countries and is not included in the financial framework or the annual budgets.

Also available:

## Emergency Aid Reserve

Response to unforeseen third-country aid requirements, such as humanitarian operations, civil crisis management and protection.

**up to EUR 1 744 million**

## Special needs, special responses

### *Instrument for stability:*

Responding to crises and to longer-term challenges with a stability and security aspect, including issues such as nuclear safety and non-proliferation, fight against trafficking, organised crime and terrorism.

**EUR 1 820 million**

### *Humanitarian aid:*

Food aid, aid to displaced people, support to rehabilitation in order to help the victims of natural disasters.

**EUR 5 901 million**

### *Democracy and human rights:*

Promoting respect for human rights and democratic reforms in third countries, mainly through support for civil society organisations.

**EUR 1 117 million**

### *Common foreign and security policy:*

Increased emphasis on the implementation of the strategy on weapons of mass destruction and extension of conflict resolution and stabilisation activities.

**EUR 2 066 million**

### *Other actions:*

Food Facility (**EUR 1 billion**), Instrument for nuclear safety cooperation (**EUR 519 million**), Macrofinancial assistance (**EUR 633 million**), Loan guarantee reserve (**EUR 743 million**), Cooperation with developed countries (**EUR 181 million**), Civil protection financial instrument (**EUR 32 million**) and ad hoc actions (**EUR 1 029 million**).

## Financial framework 2007–2013

### Expenditure ceilings per heading

(EUR million, current prices)<sup>(1)</sup>

Commitment appropriations <sup>(2)</sup>	2007	2008	2009	2010	2011	2012	2013	Total
1. Sustainable growth	53 979	57 653	61 696	63 555	63 974	66 964	69 957	<b>437 778</b>
1a. Competitiveness for growth and employment	8 918	10 386	13 269	14 167	12 987	14 203	15 433	<b>89 363</b>
1b. Cohesion for growth and employment	45 061	47 267	48 427	49 388	50 987	52 761	54 524	<b>348 415</b>
2. Preservation and management of natural resources	55 143	59 193	56 333	59 955	60 338	60 810	61 289	<b>413 061</b>
3. Citizenship, freedom, security and justice	1 273	1 362	1 518	1 693	1 889	2 105	2 376	<b>12 216</b>
3a. Freedom, security and justice	637	747	867	1 025	1 206	1 406	1 661	<b>7 549</b>
3b. Citizenship	636	615	651	668	683	699	715	<b>4 667</b>
4. The EU as a global player	6 578	7 002	7 440	7 893	8 430	8 997	9 595	<b>55 935</b>
5. Administration <sup>(4)</sup>	7 039	7 380	7 525	7 882	8 334	8 670	9 095	<b>55 925</b>
6. Compensations for Bulgaria and Romania	445	207	210	--	--	--	--	<b>862</b>
<b>Total</b>	<b>124 457</b>	<b>132 797</b>	<b>134 722</b>	<b>140 978</b>	<b>142 965</b>	<b>147 546</b>	<b>152 312</b>	<b>975 777</b>
Commitment appropriations <sup>(2)</sup> , % of GNI <sup>(3)</sup>	1.02 %	1.08 %	1.16 %	1.18 %	1.16 %	1.15 %	1.14 %	<b>1.13 %</b>
Payment appropriations <sup>(2)</sup> , % of GNI <sup>(3)</sup>	1.00 %	1.05 %	1.04 %	1.12 %	1.09 %	1.10 %	1.07 %	<b>1.07 %</b>

The Financial Framework may be modified, when necessary, by a common agreement of the institutions.

<sup>(1)</sup> All amounts in this publication are expressed in current prices. To accommodate inflationary expectations during the 2007–2013 period, the EU countries agreed to adjust the financial framework ceilings (expressed in 2004 prices) by using a 2 % price deflator per year between 2004 and 2013.

<sup>(2)</sup> EU budgets forecast both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ because of the multiannual nature of the EU programmes and projects. The total amount is usually committed in the first year but the payment is made in several instalments over the years as the implementation of the programme and project progresses.

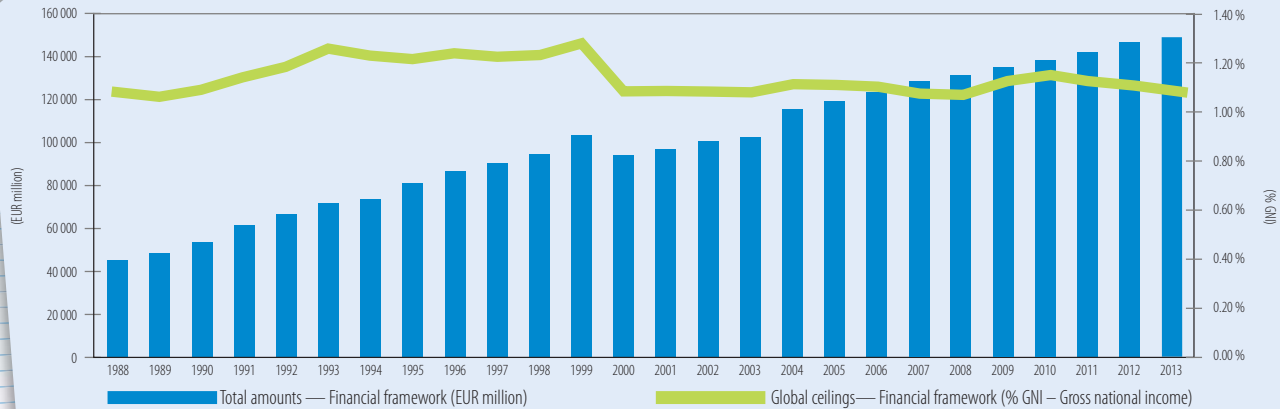
<sup>(3)</sup> Estimates based on Autumn 2009 forecasts of Gross national income (GNI).

<sup>(4)</sup> Excluding staff pension contributions.



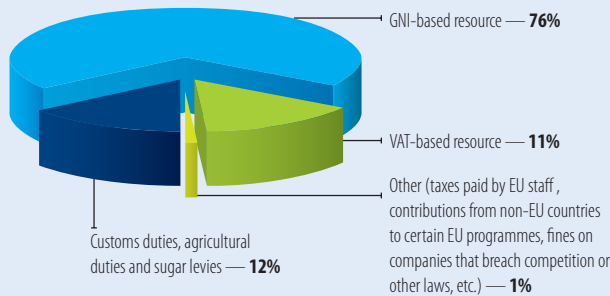
# More funds, stable contributions

Long-term evolution of the financial framework:



## Revenue

Where does the money come from?



(Based on estimates for 2010)

The European Union budget is mainly financed through the Union's own resources. These consist of: customs duties, agricultural duties and sugar levies; the value-added tax (VAT)-based resource; and the gross national income (GNI)-based resource.

EU countries contribute more or less in proportion to their national prosperity. The UK, the Netherlands, Germany, Austria and Sweden, however, benefit from some adjustments when calculating their contributions.

## From financial framework to actual spending

### Financial framework

The multiannual financial framework sets the overall and annual upper limits for the EU budget's main spending categories, called "headings".

### Spending through programmes

Within each heading, funds are mainly spent through EU programmes. Each programme has specific objectives, duration and resources, mentioned in a legislative text. The resources allocated to each programme are determined in accordance with the overall limits set by the financial framework.

### Actual spending

The amounts approved by the Council and Parliament are then spent in accordance with the rules set by the financial regulation and each programme's specific rules.

### Translation into annual budgets

Annual budgets allocate the EU's resources among different programmes and other activities, while respecting the limits set by the financial framework. Annual appropriations are finalised and have legal bearing only after the Council and Parliament formally approve the annual budget.

#### For feedback on the brochure:

[budget@ec.europa.eu](mailto:budget@ec.europa.eu)

#### For more information on the EU budget and financial programming:

EU budget:

<http://ec.europa.eu/budget/>

(available in English, French and German)

Janusz Lewandowski, Commissioner for Financial Programming and Budget:

[http://ec.europa.eu/commission\\_2010-2014/lewandowski/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/lewandowski/index_en.htm)

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Luxembourg: Office for Official Publications of the European Communities

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Printed in Germany

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