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PART 2/2

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS**

CONSOLIDATED ANNUAL ACCOUNTS OF THE EUROPEAN UNION 2015

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CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

REVENUE FROM NON-EXCHANGE TRANSACTIONS

3.1. GNI RESOURCES

Own resources revenue is the primary element of the EU's operating revenue. Of the three categories of own resources, traditional own resources ("TOR"), the VAT-based resources and the GNI-based resources, the GNI revenue of EUR 95 355 million (2014: EUR 104 688 million) is the most significant.

3.2. TRADITIONAL OWN RESOURCES

EUR millions

| | 2015 | 2014 |
|----------------|---------------|---------------|
| Customs duties | 18 524 | 17 204 |
| Sugar levies | 125 | (67) |
| Total | 18 649 | 17 137 |

Traditional own resources comprise custom duties and sugar levies. Member States retain, by way of collection costs, 20 % of traditional own resources, and the above amounts are shown net of this deduction.

3.3. VAT RESOURCES

The VAT resource is levied on Member States' VAT bases, which are notionally harmonised in accordance with EU rules for this purpose. The VAT contribution is calculated applying a uniform rate of call of 0.3 % to the base of each Member State. For the period 2014-2020, the Council Decision 5602/14 foresees a reduced rate of call (0.15 %) for Germany, the Netherlands and Sweden.

REVENUE FROM NON-EXCHANGE TRANSACTIONS: TRANSFERS

3.4. FINES

These revenues of EUR 531 million (2014: EUR 2 297 million) relate to fines imposed by the Commission for breach of infringement rules, mainly related to competition cases. Receivables and related revenues are recognised when the Commission decision imposing a fine has been taken and it is officially notified to the addressee. The main amounts in 2015 concern the markets for optical disk drives (EUR 116 million) and retail food packaging (EUR 116 million).

3.5. RECOVERY OF EXPENSES

EUR millions

| | 2015 | 2014 |
|----------------------------|--------------|--------------|
| <i>Shared management</i> | 1 465 | 3 328 |
| <i>Direct management</i> | 76 | 45 |
| <i>Indirect management</i> | 6 | 45 |
| Total | 1 547 | 3 418 |

This heading mainly represents the recovery orders issued by the Commission that are cashed or offset against (i.e. deducted from) subsequent payments recorded in the Commission's accounting system, made so as to recover expenditure previously paid out from the general budget. Recoveries are based on controls, audits or eligibility analysis and therefore, these actions are an important consideration in implementing the EU budget. These operations protect the EU budget from expenditure incurred in breach of law and are particularly important since the audit results of the European Court of Auditors have found a material level of error in payments made from the EU budget – see the Court's annual report including the statement of assurance on the legality and regularity of the underlying transactions.

Recovery orders issued by Member States to beneficiaries of EAGF expenditure, as well as the variation of accrued income estimations from the previous year-end to the current, are also included.

The amounts included in the above table represent revenue incurred through the issuance of recovery orders. For this reason, these figures cannot and do not show the full extent of the measures taken to protect the EU budget, particularly for Cohesion policy where specific mechanisms are in place to ensure the correction of ineligible expenditure, most of which do not involve the issuance of a recovery order. Not included are amounts recovered through offsetting with expenses, amounts recovered by way of withdrawals and recoveries of pre-financing amounts.

Shared management makes up the bulk of the total:

Agriculture: EAGF and rural development

In the framework of the EAGF and the EAFRD, amounts accounted for as revenue of the year under this heading are financial corrections of the year and reimbursements declared by Member States and recovered during the year, as well as the net increase in the outstanding amounts declared by Member States to be recovered at year-end concerning fraud and irregularities.

Cohesion policy

The main amounts related to Cohesion policy include recovery orders issued by the Commission to recover undue expenditure made in previous years and deductions from expenditure less the decrease in accrued income at year-end.

3.6. OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS

EUR millions

| | 2015 | 2014 |
|---|--------------|--------------|
| <i>Staff taxes and contributions</i> | 1 115 | 1 276 |
| <i>Budgetary adjustments</i> | 984 | 794 |
| <i>Contributions from third countries</i> | 946 | 726 |
| <i>Agricultural levies</i> | 814 | 409 |
| <i>Transfer of assets</i> | 197 | 1 448 |
| <i>Adjustment of provisions</i> | 71 | 369 |
| <i>Other</i> | 939 | 600 |
| Total | 5 067 | 5 623 |

Staff taxes and contributions revenue arises primarily from deductions from staff salaries and is made up of two significant amounts – staff pension contributions and taxes on income.

The budgetary adjustments include the budget surplus from 2014 (EUR 1 435 million) which is indirectly refunded to Member States by deduction of the amounts of own resources they have to transfer to the EU in the following year – thus it is a revenue for 2015.

Contributions from third countries are contributions from EFTA countries and accession countries.

Agricultural levies concern milk levies which are a market management tool aimed at penalising milk producers who exceed their reference quantities. As it is not linked to prior payments by the Commission, it is in practice considered as revenue for a specific purpose. The increase in milk levies this year is due primarily to the superlevy of EUR 811 million.

Transfer of assets revenue relates mainly to the transfer of satellites under the Copernicus programme (former GMES programme) from the European Space Agency (ESA) to the Commission (see note 2.2). This transfer is a non-exchange transaction according to the EU accounting rules and will occur in future periods for the remaining Copernicus satellites currently under construction.

REVENUE FROM EXCHANGE TRANSACTIONS

3.7. FINANCIAL INCOME

EUR millions

| | 2015 | 2014 |
|---|--------------|--------------|
| <i>Interest income on:</i> | | |
| <i>Pre-financing</i> | 9 | 16 |
| <i>Late payments</i> | 20 | 387 |
| <i>Available for sale financial assets</i> | 56 | 65 |
| <i>Loans</i> | 1 616 | 1 722 |
| <i>Cash and cash equivalents</i> | 14 | 10 |
| <i>Impaired financial assets</i> | 7 | – |
| <i>Other</i> | 0 | 1 |
| Interest income | 1 721 | 2 202 |
| Dividend income | 8 | 6 |
| Realised gains on sale of financial assets | 50 | 30 |
| Other financial income | 66 | 61 |
| Total | 1 846 | 2 298 |

Interest income on loans relates mainly to loans granted from borrowed funds (see note 2.4.2).

Net gains or losses on financial assets

EUR millions

| | 2015 | 2014 |
|--|------|------|
| <i>Net gains/(losses) on available for sale financial assets</i> | 3 | 13 |

3.8. OTHER REVENUE FROM EXCHANGE TRANSACTIONS

EUR millions

| | 2015 | 2014 |
|---|--------------|--------------|
| <i>Foreign exchange gains</i> | 970 | 478 |
| <i>Fee revenue for rendering of services</i> | 358 | 323 |
| <i>Sales of goods</i> | 43 | 44 |
| <i>Fee and premium revenue related to financial instruments</i> | 43 | 59 |
| <i>Property, plant and equipment related revenue</i> | 4 | 16 |
| <i>Other</i> | 145 | 146 |
| Total | 1 562 | 1 066 |

EXPENSES

TRANSFER PAYMENTS AND SUBSIDIES BY MANAGEMENT MODE

3.9. SHARED MANAGEMENT

| | EUR millions | |
|---|----------------|----------------|
| | 2015 | 2014 |
| Implemented by Member States | | |
| <i>European Agricultural Guarantee Fund</i> | 45 032 | 44 465 |
| <i>European Agricultural Fund for Rural Development & other rural development instruments</i> | 16 376 | 14 046 |
| <i>European Regional Development Fund and Cohesion Fund</i> | 38 745 | 43 345 |
| <i>European Social Fund</i> | 9 849 | 12 651 |
| <i>Other</i> | 2 380 | 2 307 |
| Total | 112 382 | 116 814 |

The transition from the former programming period 2007-2013 to the period 2014-2020 explains the reduction of expenses for the cohesion area: the costs declared for the previous period are decreasing, while the costs related to the current period are low, due to the slow start of its implementation.

The sub-heading 'Other' mainly includes: Internal Security (EUR 509 million), Fisheries and Maritime Affairs (EUR 503 million), the Instrument for Pre-Accession Assistance (EUR 492 million) and Asylum and Migration (EUR 299 million).

3.10. DIRECT MANAGEMENT

| | EUR millions | |
|---|---------------|---------------|
| | 2015 | 2014 |
| <i>Implemented by the Commission</i> | 10 089 | 10 431 |
| <i>Implemented by EU Executive Agencies</i> | 5 532 | 4 880 |
| <i>Implemented by Trust funds</i> | 6 | – |
| Total | 15 626 | 15 311 |

These amounts mainly concern the implementation of Research Policy (EUR 6.9 billion) and Networks Programmes (EUR 1.7 billion), as well as European Neighbourhood Policy (EUR 1.6 billion) and Development Co-operation Instruments (EUR 1.3 billion).

3.11. INDIRECT MANAGEMENT

| | EUR millions | |
|--|--------------|--------------|
| | 2015 | 2014 |
| <i>Implemented by other EU agencies & bodies</i> | 1 209 | 1 025 |
| <i>Implemented by third countries</i> | 905 | 1 005 |
| <i>Implemented by international organisations</i> | 2 127 | 1 765 |
| <i>Implemented by other entities</i> | 2 107 | 1 799 |
| Total | 6 348 | 5 594 |

3.12. STAFF AND PENSION COSTS

EUR millions

| | 2015 | 2014 |
|---------------|---------------|--------------|
| Staff costs | 5 838 | 5 693 |
| Pension costs | 4 435 | 3 970 |
| Total | 10 273 | 9 662 |

Pension costs represent elements of the movements that have arisen following the actuarial valuation of the employee benefits liabilities other than actuarial assumptions.

3.13. CHANGES IN EMPLOYEE BENEFITS ACTUARIAL ASSUMPTIONS

The actuarial loss of net EUR 2 billion shown under this heading relates to the employee benefits liabilities recognised on the balance sheet (see note **2.9**).

3.14. FINANCE COSTS

EUR millions

| | 2015 | 2014 |
|--|--------------|--------------|
| Interest expenses: | | |
| Borrowings | 1 607 | 1 712 |
| Other | 21 | 22 |
| Finance leases | 91 | 90 |
| Impairment losses on available for sale financial assets | 27 | 3 |
| Impairment losses on loans and receivables | 174 | 1 030 |
| Realised loss on sale of financial assets | 3 | 17 |
| Other finance costs | 63 | 51 |
| Total | 1 986 | 2 926 |

The amount of interest expense on borrowings corresponds to interest income on loans (back-to-back transactions).

3.15. SHARE OF NET RESULT OF JOINT VENTURES AND ASSOCIATES

In accordance with the equity method of accounting, the EU includes in its statement of financial performance its share of the net result of its joint ventures and associates (see also notes **2.3.1** and **2.3.2**).

3.16. OTHER EXPENSES

EUR millions

| | 2015 | 2014 |
|---|--------------|--------------|
| <i>Administrative and IT expenses</i> | 2 419 | 2 070 |
| <i>Property, plant and equipment related expenses</i> | 1 304 | 1 186 |
| <i>Reduction of fines by the Court of Justice</i> | 1 137 | – |
| <i>Foreign exchange losses</i> | 785 | 370 |
| <i>Adjustment of provisions</i> | 520 | 688 |
| <i>Other</i> | 458 | 839 |
| Total | 6 623 | 5 152 |

The increase in other expenses is mainly due to the write-off of fines, where the Court of Justice has decided in favour of the fined undertaking. These amounts were in previous years shown under finance costs. In 2015, it was decided that the nature of these amounts is not related to the impairment of financial instruments and therefore it is included under this heading.

Expenses relating to research and development are included in administrative and IT expenses and are as follows:

EUR millions

| | 2015 | 2014 |
|--|------------|------------|
| <i>Research costs</i> | 384 | 353 |
| <i>Non-capitalised development costs</i> | 60 | 54 |
| Total | 443 | 406 |

Included under Property, plant and equipment related expenses are EUR 373 million (2014: EUR 369 million) relating to operating leases. Amounts committed to be paid during the remaining term of these lease contracts are as follows:

EUR millions

| | Future amounts to be paid | | | Total |
|---|---------------------------|--------------|--------------|--------------|
| | < 1 year | 1- 5 years | > 5 years | |
| <i>Buildings</i> | 366 | 1 086 | 1 040 | 2 491 |
| <i>IT materials and other equipment</i> | 8 | 11 | 0 | 20 |
| Total | 374 | 1 097 | 1 040 | 2 511 |

3.17. SEGMENT REPORTING BY MULTI ANNUAL FINANCIAL FRAMEWORK HEADING (MFF)

| | EUR millions | | | | | | |
|--|----------------------------|--------------------|--------------------------|----------------|-----------------|------------------------------|------------------|
| | Smart and inclusive growth | Sustainable growth | Security and citizenship | Global Europe | Administration | Not assigned to MFF heading* | Total |
| <i>GNI resources</i> | – | – | – | – | – | 95 355 | 95 355 |
| <i>Traditional own resources</i> | – | – | – | – | – | 18 649 | 18 649 |
| <i>VAT</i> | – | – | – | – | – | 18 328 | 18 328 |
| <i>Fines</i> | – | – | – | – | – | 531 | 531 |
| <i>Recovery of expenses</i> | 103 | 1 408 | 14 | 21 | 0 | 0 | 1 547 |
| <i>Other</i> | 875 | 869 | 3 | 1 | 4 522 | (1 204) | 5 067 |
| Revenue from non-exchange transactions | 978 | 2 278 | 18 | 22 | 4 522 | 131 659 | 139 478 |
| <i>Financial income</i> | 61 | 2 | 0 | 29 | 1 | 1 753 | 1 846 |
| <i>Other</i> | 105 | (10) | (9) | 34 | 289 | 1 153 | 1 562 |
| Revenue from exchange transactions | 167 | (8) | (9) | 63 | 290 | 2 906 | 3 408 |
| Total revenue | 1 144 | 2 270 | 9 | 85 | 4 812 | 134 565 | 142 886 |
| <i>Expenses implemented by Member States:</i> | | | | | | | |
| <i>EAGF</i> | – | (45 032) | – | – | – | – | (45 032) |
| <i>EAFRD & other rural development instruments</i> | – | (16 376) | – | – | – | – | (16 376) |
| <i>ERDF & CF</i> | (38 745) | – | – | – | – | – | (38 745) |
| <i>ESF</i> | (9 849) | – | – | – | – | – | (9 849) |
| <i>Other</i> | (181) | (517) | (908) | (773) | – | – | (2 380) |
| <i>Implemented by the EC, executive agencies and trust funds</i> | (9 813) | (464) | (799) | (4 545) | (13) | 8 | (15 626) |
| <i>Implemented by other EU agencies and bodies</i> | (994) | (51) | (551) | (19) | – | 407 | (1 209) |
| <i>Implemented by third countries and int. org.</i> | (343) | (0) | 1 | (2 661) | 0 | (29) | (3 031) |
| <i>Implemented by other entities</i> | (1 552) | – | (0) | (555) | (0) | – | (2 107) |
| <i>Staff and Pension costs</i> | (1 534) | (329) | (370) | (569) | (6 617) | (854) | (10 273) |
| <i>Changes in employee benefits actuarial assumptions</i> | – | – | – | – | (2 040) | – | (2 040) |
| <i>Finance costs</i> | (89) | (63) | (1) | (18) | (136) | (1 678) | (1 986) |
| <i>Share of net deficit of joint ventures / associates</i> | (641) | – | – | – | – | – | (641) |
| <i>Other expenses</i> | (1 223) | (181) | (122) | (121) | (4 104) | (872) | (6 623) |
| Total expenses | (64 964) | (63 014) | (2 750) | (9 262) | (12 911) | (3 019) | (155 919) |
| Economic result of the year | (63 820) | (60 744) | (2 741) | (9 177) | (8 098) | 131 547 | (13 033) |

* "Not-assigned to MFF heading" includes consolidated entities' budget execution and consolidation eliminations, off-budget operations and unallocated immaterial programmes.

The display of revenue and expenses by MFF heading is based on estimation as not all commitments are linked to an MFF heading.

4. NOTES TO THE CASHFLOW STATEMENT

4.1. PURPOSE AND PREPARATION OF THE CASHFLOW STATEMENT

Cashflow information is used to provide a basis for assessing the ability of the EU to generate cash and cash equivalents, and its needs to utilise those cashflows.

The cashflow statement is prepared using the indirect method. This means that the economic result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

Cashflows arising from transactions in a foreign currency are recorded in the EU's reporting currency (Euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cashflow.

The cashflow statement reports cashflows during the period classified by operating and investing activities (the EU does not have financing activities).

4.2. OPERATING ACTIVITIES

Operating activities are the activities of the EU that are not investing activities. These are the majority of the activities performed. Loans granted to beneficiaries (and the related borrowings, when applicable) are not considered as investing (or financing) activities as they are part of the general objectives and thus daily operations of the EU. Operating activities also include investments such as EIF, EBRD and venture capital funds. Indeed, the objective of these activities is to contribute to the achievement of policy targeted outcomes.

4.3. INVESTING ACTIVITIES

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. Investing activities do not include loans granted to beneficiaries. The objective is to show the real investments made by the EU.

5. CONTINGENT ASSETS & LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

5.1. CONTINGENT ASSETS

| | EUR millions | |
|--------------------------------|--------------|------------|
| | 31.12.2015 | 31.12.2014 |
| <i>Guarantees received:</i> | | |
| <i>Performance guarantees</i> | 398 | 400 |
| <i>Other guarantees</i> | 27 | 27 |
| <i>Other contingent assets</i> | 48 | 49 |
| Total | 474 | 476 |

Performance guarantees are requested to ensure that beneficiaries of EU funding meet the obligations of their contracts with the EU.

5.2. CONTINGENT LIABILITIES

| | | EUR millions | |
|--|-------|---------------|---------------|
| | Note | 31.12.2015 | 31.12.2014 |
| <i>Guarantees given</i> | 5.2.1 | 21 401 | 20 862 |
| <i>Fines</i> | 5.2.2 | 3 951 | 5 602 |
| <i>EAGF, rural development and pre-accession</i> | 5.2.3 | 1 377 | 505 |
| <i>Cohesion policy</i> | 5.2.4 | 3 | 9 |
| <i>Legal cases and other disputes</i> | 5.2.5 | 795 | 789 |
| <i>Other contingent liabilities</i> | | 58 | 5 |
| Total | | 27 584 | 27 772 |

All contingent liabilities, except those relating to fines, would be financed, should they fall due, by the EU budget in the years to come.

5.2.1. Guarantees given

| | EUR millions | |
|---|---------------|---------------|
| | 31.12.2015 | 31.12.2014 |
| <i>Guarantees on loans granted by the EIB</i> | | |
| 65% guarantee | 18 712 | 18 283 |
| 70% guarantee | 356 | 447 |
| 75% guarantee | 112 | 168 |
| 100% guarantee | 270 | 300 |
| Total | 19 450 | 19 198 |
| Guarantee on EFSI portfolio | 202 | - |
| Other guarantees given | 1 749 | 1 664 |
| Total | 21 401 | 20 862 |

Guarantees on loans granted by the EIB – Guarantee Fund for external actions

The EU budget guarantees loans signed and granted by the EIB from its own resources to third countries (including loans granted to Member States before accession). However, the EU's guarantee is limited to a percentage of the ceiling of the credit lines authorised: 65 % (for agreements signed until 2007), 70 %, 75 % or 100 %. Where the ceiling is not reached, the EU guarantee covers the full amount. For agreements signed after 2007 (mandates 2007-2013 and 2014-2020), the EU's guarantee is limited to 65 % of the outstanding balances and not to the credit lines authorised. At 31 December 2015 the amount outstanding totalled EUR 19 450 million and this, therefore, is the maximum exposure faced by the EU. At 31 December 2015, about 82 % of EIB lending operations (sovereign and sub-sovereign

lending operations) are covered by a comprehensive guarantee, while on the remaining operations the EIB benefits from political risk coverage only.

EU guarantee on European Fund for Strategic Investments (EFSI) portfolio

The EU guarantee granted to the EIB group under the EFSI is accounted for as a financial guarantee liability in respect of the debt portfolio and as a contingent liability for both debt and equity portfolios. The Accounting Officer, with the unanimous support of the EU Advisory Group of Experts on Accounting Standards, has concluded that the control criteria and the accounting requirements for consolidation of the EU accounting rules (and IPSAS) are not met. Consequently, the related financial assets are not accounted for in the consolidated annual accounts of the EU.

Under the EFSI debt portfolio, the EU guarantee covers the first loss piece of a portfolio of financing operations entered into by the EIB, which are mainly standard loans and guarantees. The EU guarantee is called when the debtor fails to make a payment when due or in the case of restructuring losses. The EU is remunerated in proportion to the risk taken in the form of a distribution, between the EIB and the EU, of the risk related revenues to be received by EIB from the EFSI guaranteed operations. The EU revenues should first cover the losses incurred on the EFSI guaranteed operations. The EU guarantee is therefore accounted for as a financial guarantee liability and measured, at initial recognition, at fair value, being the net present value of the premiums receivable (the EU revenues). At subsequent balance sheet dates, the financial guarantee liability is measured at the higher of the expected losses and the amount initially recognised less, when appropriate, the accumulated amortisation of the revenue. The financial guarantee liability is presented net of the EU revenues still to be received.

Under the EFSI Infrastructure and Innovation Window (IIW) equity portfolio, which consists of direct equity or quasi equity participations or subordinated loans, the EIB invests pari-passu at its own risk and also at the risk of the EU. Consequently, the EU guarantee covers for the part of the equity investments guaranteed by the EU, the negative value adjustments (unrealised losses) at each balance sheet date, the realised losses at dis-investment and the EIB funding costs. In cases where the value of an investment, which was previously subject to a negative value adjustment, increases at subsequent reporting dates, the amount up to the original cost of the investment is reimbursed by the EIB to the EU. At the time of the dis-investment, the EU is also entitled to gains on the investment exceeding the original cost. The EU is remunerated by revenues received by the EIB from the guaranteed operations, including interests, dividends and realised gains. The settlement between the EU and the EIB happens annually net of losses and revenues. At 31 December 2015, EUR 7.6 million of EU guaranteed operations under the IIW equity portfolio have been invested, which were recorded as a contingent liability.

Discussions on the Small- and Medium-size Enterprises Window (SMEW) equity portfolio, which was not implemented in 2015, are still ongoing between the Commission and the EIB Group. The accounting treatment of the equity operations will be established by the Accounting Officer after consulting the EU Advisory Group of Experts on Accounting Standards once the amended legal basis has been finalised.

The amount disclosed as a contingent liability represents amounts which are actually committed and disbursed by the EIB/EIF for the EFSI guaranteed operations (both debt and equity portfolio) at year-end, but which exceed the net expected losses. Amounts committed and disbursed by the EIB/EIF for the EFSI guaranteed operations which equal the net expected losses are recognised as financial guarantee liability (zero value at 31 December 2015) – see note **2.11.2**. The total unused EU guarantee up to the EUR 16 billion maximum is disclosed as significant legal commitments – see note **5.3.2**. This amount includes operations of the COSME and H2020 programmes which are temporarily covered by the EFSI EU guarantee.

Other guarantees given

Other guarantees given relate mainly to EUR 845 million to the Risk-Sharing Finance Facility (2014: EUR 883 million), EUR 459 million to Horizon 2020 (2014: EUR 365 million), EUR 220 million to the Project Bond Initiative (2014: EUR 138 million) and EUR 209 million to the Loan Guarantee Instrument for TEN-T Projects (2014: EUR 209 million).

5.2.2. Fines

These amounts concern fines imposed by the Commission for infringement of competition rules that have been provisionally paid and where either an appeal has been lodged or where it is unknown if an appeal will be made. The contingent liability will be maintained until a decision by the Court of Justice on the case is final. Interest earned on provisional payments is included in the economic result of the year and also as a contingent liability to reflect the uncertainty of the Commission's title to these amounts.

5.2.3. EAGF, rural development and pre-accession

These are contingent liabilities towards the Member States connected with the EAGF conformity decisions, rural development and pre-accession financial corrections pending judgement of the Court of Justice. The determination of the final amount of the liability and the year in which the effect of successful appeals will be charged to the budget will depend on the length of the procedure before the Court.

5.2.4. Cohesion policy

These are contingent liabilities towards the Member States in conjunction with actions under cohesion policy awaiting the oral hearing date or pending judgement of the Court of Justice.

5.2.5. Legal cases and other disputes

This heading relates to actions for damages currently being brought against the EU, other legal disputes and the estimated legal costs. It should be noted that in an action for damages under Article 288 EC the applicant must demonstrate a sufficiently serious breach by the institution of a rule of law intended to confer rights on individuals, real harm suffered by the applicant, and a direct causal link between the unlawful act and the harm.

5.3. OTHER SIGNIFICANT DISCLOSURES

5.3.1. Outstanding budgetary commitments not yet expensed

EUR millions

| | 31.12.2015 | 31.12.2014 |
|---|------------|------------|
| <i>Outstanding budgetary commitments not yet expensed</i> | 177 477 | 144 741 |

The amount disclosed above is the budgetary RAL ("Reste à Liquider") less related amounts that have been included as expenses in the 2015 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes. At 31 December 2015 the budgetary RAL totalled EUR 217 692 million (2014: EUR 189 585 million).

5.3.2. Significant legal commitments

EUR millions

| | 31.12.2015 | 31.12.2014 |
|---|----------------|----------------|
| <i>Multiannual actions under shared management</i> | 343 715 | 433 527 |
| <i>European Fund for Strategic Investments (EFSI)</i> | 16 000 | – |
| <i>Connecting Europe Facility (CEF)</i> | 10 051 | – |
| <i>Copernicus</i> | 2 939 | 3 476 |
| <i>Fisheries agreements</i> | 373 | 176 |
| <i>Galileo</i> | 124 | 719 |
| <i>Protocol with Mediterranean countries</i> | – | 264 |
| <i>Other contractual commitments</i> | 3 101 | 3 127 |
| Total | 376 303 | 441 288 |

These commitments originated because the EU entered into long-term legal commitments in respect of amounts that were not yet covered by commitment appropriations in the budget. This can relate to multi-

annual programmes such as Structural Actions or amounts that the EU is committed to pay in the future under administrative contracts existing at the balance sheet date (e.g. relating to the provision of services such as security, cleaning, etc, but also contractual commitments concerning specific projects such as building works). The significant increase of legal commitments relating to Structural Actions is due to the start of the 2014-2020 MFF during the reporting period.

Multiannual actions under shared management

The table below shows a comparison between the legal commitments for which budget commitments have not yet been made and the maximum commitments in relation to the amounts foreseen in the MFF 2014-2020, headings 1B, 2 and 3. The future obligations represent the outstanding amounts for which the Commission is still committed to make payments after 31 December 2015.

EUR millions

| Funds | Financial framework 2014-2020 (A) | Legal commitments concluded (B) | Budget commitments (C) | Decommitments (D) | Legal commitments less budget commitments (=B-C+D) | Future obligations (=A-C) |
|---|-----------------------------------|---------------------------------|------------------------|-------------------|--|---------------------------|
| <i>European Regional Development Fund and Cohesion Fund</i> | 259 802 | 259 802 | 66 572 | – | 193 230 | 193 230 |
| <i>European Social Fund</i> | 89 624 | 89 624 | 26 410 | – | 63 213 | 63 213 |
| <i>Fund for European Aid to the most Deprived</i> | 3 814 | 3 814 | 1 036 | – | 2 777 | 2 777 |
| HEADING 1B: COHESION POLICY FUNDS | 353 239 | 353 239 | 94 018 | – | 259 221 | 259 221 |
| <i>European Agricultural Fund for Rural Development</i> | 99 348 | 98 786 | 23 414 | – | 75 371 | 75 933 |
| <i>European Maritime and Fisheries Fund</i> | 5 749 | 5 749 | 1 586 | – | 4 163 | 4 163 |
| HEADING 2: NATURAL RESOURCES | 105 097 | 104 535 | 25 000 | – | 79 535 | 80 096 |
| <i>Asylum and Migration Fund</i> | 3 371 | 631 | 631 | – | 0 | 2 741 |
| <i>Internal Security Fund</i> | 2 195 | 538 | 538 | – | – | 1 657 |
| HEADING 3: SECURITY & CITIZENSHIP | 5 566 | 1 169 | 1 169 | – | 0 | 4 398 |
| Total | 463 902 | 458 943 | 120 187 | – | 338 755 | 343 715 |

European Fund for Strategic Investments (EFSI)

These commitments relate to the legal commitments that have not been used at year-end in relation to the total EU guarantee of EUR 16 billion.

EUR millions

| | 31.12.2015 |
|---|---------------|
| EFSI legal commitment outstanding at year-end | 16 000 |
| <i>of which</i> | |
| <i>Financial guarantee liability relating to EFSI</i> | – |
| <i>Contingent liability relating to EFSI</i> | 202 |

Connecting Europe Facility

The CEF provides financial assistance to trans-European networks in order to support projects of common interest in the sectors of transport, telecommunications and energy infrastructures.

Copernicus

Copernicus is the European Earth observation programme – see also note 2.2.

Fisheries agreements

These are commitments entered into with third countries for operations under international fisheries agreements.

Protocols with Mediterranean countries

A recent analysis has shown that there is no longer any legal basis for any on-going liability, contingent or otherwise in relation to these protocols.

Galileo

These are amounts committed to the Galileo programme developing a European Global Navigation Satellite System – see also note **2.2**.

Other contractual commitments

The amounts included under this disclosure correspond to amounts committed to be paid during the term of the contracts. The largest amounts included here relate to EUR 2 023 million for the Fusion for Energy Agency in the context of the ITER project and also EUR 388 million mainly for building contracts of the European Parliament.

6. FINANCIAL RISK MANAGEMENT

The following disclosures with regard to the financial risk management of the EU relate to:

- Lending and borrowing activities carried out by the Commission through: EFSM, BOP, MFA, and Euratom actions and the ECSC in Liquidation;
- The treasury operations carried out by the Commission in order to implement the EU budget, including the receipt of fines;
- The Guarantee Fund for external actions;
- The EFSI Guarantee Fund; and
- Financial instruments financed by the budget.

6.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises *currency risk, interest rate risk and other price risk* (the EU has no significant other price risk).

- (1) *Currency risk* is the risk that the EU's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa.

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

6.2. RISK MANAGEMENT POLICIES

The implementation of the EU budget relies increasingly on the use of financial instruments. The basic concept behind this new approach, in contrast to the traditional method of budget implementation by giving grants and subsidies, is that for each euro spent from the budget via financial instruments, the final beneficiary receives more than EUR 1 as financial support due to the leverage effect. This intelligent use of the EU budget maximises the impact of the funds available. For more information on the amounts concerned, see note 2.4.

Common to most financial instruments is the fact that the implementation is delegated to either the EIB group (including EIF) based on an agreement between the EC and the EIB or to other financial intermediaries. Agreements signed with these intermediaries include strict conditions and obligations on the intermediaries so as to ensure that EU monies are properly managed and properly reported on. Once a financial contribution to one of the instruments has been committed, the funds are transferred to a specifically created bank account of the financial intermediary (i.e. a fiduciary account). The financial intermediary may, depending on the instrument in question, use the funds on this fiduciary account to provide loans, issue debt instruments, etc. Proceeds from financial instruments have, as a general rule, to be reimbursed to the EU budget.

The risk as regards these financial instruments is usually limited to a ceiling as indicated in the underlying agreements, which is the budgeted amount foreseen for the instrument. As the Commission often bears the "first loss piece" and since instruments are intended to finance riskier beneficiaries (who have

difficulties in obtaining funding from commercial lenders), it is therefore likely that at least some losses to the EU budget will occur.

Borrowing and Lending activities

The borrowing and lending transactions, as well as related treasury management, are carried out by the EU according to the respective Council Decisions, if applicable, and internal guidelines. Written procedure manuals covering specific areas such as borrowings, loans and treasury management have been developed and are used by the relevant operational units. As a general rule, there are no activities to compensate interest rate variations or foreign currency variations ("hedging" activities) carried-out as lending operations are generally financed by "back-to-back" borrowings, which thus do not generate open interest rate or currency positions. The application of the "back-to-back" character is checked regularly.

Treasury

The rules and principles for the management of the Commission's treasury operations are laid down in the Council Regulation 1150/2000 (amended by Council Regulations 2028/2004 and 105/2009) and in the Financial Regulation and its rules of application.

As a result of the above regulations, the following main principles apply:

- Own resources are paid by the Member States into accounts opened for this purpose in the name of the Commission with the Treasury or the body appointed by each Member State. The Commission may draw on the above accounts solely to cover its cash requirements.
- Own Resources are paid by Member States in their own national currencies, while the Commission's payments are mostly denominated in EUR.
- Bank accounts opened in the name of the Commission may not be overdrawn. This restriction does not apply to the Commission's own resource accounts in case of a default on loans contracted or guaranteed pursuant to EU Council regulations and decision and under certain conditions in case the cash resource requirements are in excess of the assets of the accounts.
- Funds held in bank accounts denominated in currencies other than EUR are either used for payments in the same currencies or periodically converted in EUR.

In addition to the own resources accounts, other bank accounts are opened by the Commission, with central banks and commercial banks, for the purpose of executing payments and receiving receipts other than the Member State contributions to the budget.

Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the Commission's internal control standards, and audit principles.

A written set of guidelines and procedures regulates the management of the Commission's treasury and payment operations with the objective of limiting operational and financial risk and ensuring an adequate level of control. They cover the different areas of operation (for example: payment execution and cash management, cashflow forecasting, business continuity, etc.), and compliance with the guidelines and procedures is checked regularly. Additionally, information is exchanged between Directorate General for the Budget and Directorate-General for Economic and Financial Affairs on risk management and best practices.

Fines

Provisionally cashed fines: deposits

Amounts received before 2010 remain in bank accounts with banks specifically selected for the deposit of provisionally cashed fines. The selection of banks is conducted in compliance with tender procedures defined by the Financial Regulation. Placement of funds with specific banks is determined by the internal risk management policy defining the credit rating requirements and the amount of funds which could be placed in proportion to the counterparty equity. Financial and operational risks are identified and evaluated and compliance with internal policies and procedures is checked regularly.

Provisionally cashed fines: BUFI portfolio

Fines imposed and provisionally cashed from 2010 onwards are invested in a specifically created fund, BUFI. The main objectives of the Fund are the reduction of risks associated with financial markets and the equal treatment of all fined entities by offering a guaranteed return calculated on the same basis. The asset management for provisionally cashed fines is carried out by the Commission in accordance with internal asset management guidelines. Procedural manuals covering specific areas such as treasury management have been developed and are used by the relevant operational units. Financial and operational risks are identified and evaluated and compliance with internal guidelines and procedures is checked regularly.

The objectives of the asset management activities are to invest the fines provisionally paid to the Commission in such a way as to:

- a) ensure that the funds are easily available when needed, while
- b) aiming at delivering, under normal circumstances, a return which on average is at least equal to the return of the BUFI Benchmark minus costs incurred.

Investments are restricted essentially to the following categories: term deposits with Euro-area Central Banks, Euro-area sovereign debt agencies, fully state-owned or state-guaranteed banks or supranational institutions, and bonds, bills and Certificates of Deposit issued by either sovereign or supranational institutions.

Bank guarantees

Significant amounts of guarantees issued by financial institutions are held by the Commission in relation to the fines it imposes on companies breaching EU competition rules (see note **2.6.1.2**). These guarantees are provided by fined companies as an alternative to making provisional payments. The guarantees are managed in compliance with the internal risk management policy. Financial and operational risks are identified and evaluated and compliance with internal policies and procedures is checked regularly.

Guarantee Fund for external actions

The rules and principles for the asset management of the Guarantee Fund are laid out in the Convention between the Commission and the EIB dated 25 November 1994 and the subsequent amendments dated 17/23 September 1996, 8 May 2002, 25 February 2008 and 9 November 2010. This Guarantee Fund operates only in euros. It exclusively invests in this currency in order to avoid any foreign currency risk. Management of the assets is based upon the traditional rules of prudence adhered to for financial activities. It is required to pay particular attention to reducing the risks and to ensuring that the managed assets can be sold or transferred without significant delay, taking into account the commitments covered.

EFSI Guarantee Fund

The EFSI Guarantee Fund was established by Regulation (EU) 2015/2017 of the European Parliament and of the Council of 25 June 2015. The rules and principles for the asset management of the Fund are laid out in the Commission Decision C(2016)165 of 21 January 2016. There were no funds in the EFSI Guarantee Fund as of 31 December 2015, the inflows being scheduled from April 2016 onwards.

6.2.1. Reconciliation of carrying amount and fair value of financial instruments

Reconciliation of the carrying amounts and fair value of financial assets by class:

EUR millions

| | 31.12.2015 | | 31.12.2014 | |
|---|-----------------|---------------|-----------------|----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets at fair value | | | | |
| <i>Available for sale financial assets</i> | 9 620 | 9 620 | 9 406 | 9 406 |
| <i>Cash and cash equivalents</i> | 21 671 | 21 671 | 17 545 | 17 545 |
| Total | 31 292 | 31 292 | 26 951 | 26 951 |
| Financial assets at amortised cost | | | | |
| <i>Loans</i> | 57 251 | 57 252 | 58 843 | 58 843 |
| <i>Exchange receivables and non-exchange recoverables</i> | 10 324 | 10 324 | 15 578 | 15 578 |
| Total | 67 575 | 67 576 | 74 421 | 74 421 |
| Total | 98 867 | 98 868 | 101 372 | 101 372 |

Reconciliation of the carrying amounts and fair value of financial liabilities by class:

EUR millions

| | 31.12.2015 | | 31.12.2014 | |
|--|-----------------|---------------|-----------------|----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities at fair value | – | – | – | – |
| Financial liabilities at amortised cost | | | | |
| <i>Borrowings</i> | 56 860 | 56 860 | 58 470 | 58 470 |
| <i>Finance lease liabilities</i> | 1 723 | 1 723 | 1 755 | 1 755 |
| <i>Payables</i> | 32 191 | 32 191 | 43 180 | 43 180 |
| <i>Other</i> | 1 120 | 1 120 | 454 | 454 |
| Total | 91 894 | 91 894 | 103 859 | 103 859 |

6.3. CURRENCY RISK

Financial instruments exposure of the EU to currency risk at year end – net position

EUR millions

| | USD | GBP | DKK | 31.12.2015 SEK | EUR | Other | Total | USD | GBP | DKK | 31.12.2014 SEK | EUR | Other | Total |
|-------------------------------------|------------|--------------|------------|-------------------|-----------------|------------|-----------------|------------|--------------|------------|-------------------|-----------------|------------|-----------------|
| Financial assets | | | | | | | | | | | | | | |
| Available for sale financial assets | 81 | 76 | 11 | 8 | 9 416 | 28 | 9 620 | 68 | 77 | 7 | 9 | 9 203 | 42 | 9 406 |
| Loans* | 5 | 0 | – | – | 354 | 18 | 377 | 2 | – | – | – | 303 | 28 | 334 |
| Receivables and recoverables | 10 | 542 | 53 | 85 | 9 555 | 78 | 10 324 | 2 | 4 102 | 50 | 88 | 11 197 | 140 | 15 578 |
| Cash and cash equivalents | 36 | 1 785 | 368 | 1 287 | 17 342 | 853 | 21 671 | 44 | 1 157 | 471 | 928 | 14 180 | 764 | 17 545 |
| Total | 132 | 2 403 | 433 | 1 380 | 36 667 | 977 | 41 992 | 116 | 5 336 | 528 | 1 024 | 34 883 | 974 | 42 862 |
| Financial liabilities | | | | | | | | | | | | | | |
| Payables | (1) | (2) | 0 | (0) | (32 187) | (1) | (32 191) | – | (10) | – | – | (43 168) | (2) | (43 180) |
| Total | (1) | (2) | 0 | (0) | (32 187) | (1) | (32 191) | – | (10) | – | – | (43 168) | (2) | (43 180) |
| Total | 131 | 2 401 | 433 | 1 380 | 4 480 | 976 | 9 801 | 116 | 5 326 | 528 | 1 024 | (8 284) | 972 | (318) |

* Excluding back-to-back loans.

If the EUR had strengthened against other currencies by 10 %, then it would have had the following impact:

| Economic result | | | | | EUR millions |
|-----------------|-----|-------|------|-------|--------------|
| | USD | GBP | DKK | SEK | |
| 31.12.2015 | (5) | (212) | (38) | (125) | |
| 31.12.2014 | (4) | (483) | (47) | (92) | |

| Net assets | | | | | EUR millions |
|------------|-----|-----|-----|-----|--------------|
| | USD | GBP | DKK | SEK | |
| 31.12.2015 | (7) | (7) | (1) | (1) | |
| 31.12.2014 | (6) | (7) | (1) | (1) | |

If the EUR had weakened against these currencies by 10 % then it would have had the following impact:

| Economic result | | | | | EUR millions |
|-----------------|-----|-----|-----|-----|--------------|
| | USD | GBP | DKK | SEK | |
| 31.12.2015 | 6 | 259 | 47 | 152 | |
| 31.12.2014 | 5 | 591 | 58 | 113 | |

| Net assets | | | | | EUR millions |
|------------|-----|-----|-----|-----|--------------|
| | USD | GBP | DKK | SEK | |
| 31.12.2015 | 9 | 8 | 1 | 1 | |
| 31.12.2014 | 8 | 9 | 1 | 1 | |

Borrowing and lending activities

Most financial assets and liabilities are in EUR, so in these cases the EU has no foreign currency risk. However, the EU does give loans in USD through the financial instrument Euratom, which are financed by borrowings with an equivalent amount in USD (back-to-back operation). At the balance sheet date the EU has no foreign currency risk with regard to Euratom.

Treasury

Own resources paid by Member States in currencies other than EUR are kept on the own resources accounts, in accordance with the Own Resources Regulation. They are converted into EUR when they are needed to cover for the execution of payments. The procedures applied for the management of these funds are dictated by the above referenced regulation. In a limited number of cases, these funds are directly used for payments to be executed in the same currencies.

A number of accounts in EU currencies other than EUR, and in USD and CHF, are held by the Commission with commercial banks, for the purpose of executing payments denominated in these same currencies. These accounts are replenished depending on the amount of payments to be executed, as a consequence their balances do not represent exposure to currency risk.

When miscellaneous receipts (other than own resources) are received in currencies other than EUR, they are either transferred to Commission's accounts held in the same currencies, if they are needed to cover the execution of payments, or converted into EUR and transferred to accounts held in EUR. Imprest accounts held in currencies other than EUR are replenished depending on the estimated short term local payments needs in the same currencies. Balances on these accounts are kept within their respective ceilings.

Fines

Provisionally cashed fines (deposits and BUFI portfolio) and bank guarantees

Since all fines are imposed and paid in EUR, there is no foreign currency risk.

Guarantee Fund for external actions

The financial assets of this fund are in EUR so there is no currency risk. The loans subrogated to the EU as result of calls on the Fund following payment defaults by a loan beneficiary are carried out in their original currency and therefore expose the EU to currency risk. There are no activities to compensate foreign currency variations ("hedging" activities) due to uncertainty relating to the loans repayment timing.

6.4. INTEREST RATE RISK

The following table illustrates the interest rate sensitivity of available for sale financial assets assuming a possible change in interest rates of +/- 100 basis points (1 %).

| | EUR millions | |
|---|---|--|
| | Increase (+) / decrease (-) in basis points | Effect on economic result and net assets |
| 31.12.2015: Available for sale financial assets | +100 | (206) |
| | -100 | 223 |
| 31.12.2014: Available for sale financial assets | +100 | (138) |
| | -100 | 149 |

Borrowing and Lending activities

Borrowings and loans with variable interest rates

Due to the nature of its borrowing and lending activities, the EU has significant interest-bearing assets and liabilities. MFA and Euratom borrowings issued at variable rates expose the EU to interest rate risk. However, the interest rate risks that arise from borrowings are offset by equivalent loans in terms and conditions (back-to-back). At the balance sheet date, the EU has loans (expressed in nominal amounts) with variable rates of EUR 380 million (2014: EUR 484 million), with a re-pricing taking place every 6 months.

Borrowings and loans with fixed interest rates

The EU also has MFA and Euratom loans with fixed rates totalling EUR 2 927 million in 2015 (2014: EUR 1 692 million) and which have a final maturity date of less than one year (EUR 13 million), between one and five years (EUR 760 million) and more than five years (EUR 2 154 million). More significantly, the EU has 7 loans under the financial instrument BOP with fixed interest rates totalling EUR 5.7 billion in 2015 (2014: EUR 8.4 billion) and which have a final maturity of less than one year (EUR 1.5 billion), between one and five years (EUR 4.0 billion) and more than five years (EUR 0.2 billion). Under the financial instrument EFSM, the EU has 23 loans with fixed interest rates totalling EUR 46.8 billion in 2015 (2014: EUR 46.8 billion) which have a final maturity date of less than one year (EUR 4.75 million), between one and five years (EUR 4.5 billion) and more than five years (EUR 37.55 billion).

Treasury

The Commission's treasury does not borrow any money; as a consequence it is not exposed to interest rate risk. Interest is however calculated on balances held on the different banks accounts. The Commission has therefore put in place measures to ensure that interest earned on its bank accounts regularly reflects market interest rates, as well as their possible fluctuation.

Accounts opened with Member States Treasuries for own resources receipts are non-interest bearing and free of charges. Accounts held with National Central Banks may be remunerated at the official rates applied by each institution. As some of the remunerations applied to these accounts may currently be negative, cash management procedures are in place to minimise balances kept on these accounts.

Overnight balances held on commercial bank accounts earn interest on a daily basis. This is based on variable market rates to which a contractual margin (positive or negative) is applied. The rates applied by commercial banks are in general contractually floored at zero. As a result no risk exists that the Commission earns interest at rates lower than market rates.

Fines

Provisionally cashed fines (deposits, BUFI portfolio) and bank guarantees

Deposits and bank guarantees are not exposed to interest rate risks. Interest earned by deposits reflect market interest rates as well as their possible fluctuation. There are bonds with a nominal amount of EUR 225 million having variable interest rates, which represent 8.76 % of the BUFI portfolio. The interest rate sensitivity parameter, the duration of the portfolio, follows very closely the duration of the BUFI index. Therefore any negative effects on the asset valuation would be matched on the side of the BUFI liability. There remains only a remote exposure to the interest rate risk in case such negative effects during the fine's maturity period would result in an overall negative index performance.

Guarantee Fund for external actions

Debt securities within the Guarantee Fund issued at variable interest rates are subject to the volatility effects of these rates, whereas debt securities at fixed rates have a risk with regard to their fair value. Fixed rate bonds represent approximately 88 % of the investment portfolio at the balance sheet date (2014: 65 %).

6.5. CREDIT RISK

The amounts that represent the EU's exposure to credit risk at the end of the reporting period are the carrying amounts of the financial instruments as disclosed in note 2.

Analysis of the age of financial assets that are not impaired

EUR millions

| | Total | Neither past due nor impaired | Past due but not impaired | | |
|-------------------------------------|---------------|--|---------------------------|--------------|------------|
| | | | < 1 year | 1-5 years | > 5 years |
| <i>Loans</i> | 57 251 | 57 251 | 0 | – | – |
| <i>Receivables and recoverables</i> | 10 324 | 8 672 | 120 | 1 384 | 148 |
| Total at 31.12.2015 | 67 575 | 65 922 | 120 | 1 384 | 148 |
| <i>Loans</i> | 58 843 | 58 843 | – | – | – |
| <i>Receivables and recoverables</i> | 15 578 | 7 968 | 5 624 | 1 847 | 138 |
| Total at 31.12.2014 | 74 421 | 66 811 | 5 624 | 1 847 | 138 |

Receivables and recoverables between 1 and 5 years include recoverables related to competition fines of EUR 1 305 million that are to a large extent covered by bank guarantees and the Commission is thus not exposed to a credit risk. These guarantees are provided by fined companies as an alternative to making provisional payments.

Credit quality of financial assets that are neither past due nor impaired

EUR millions

| | 31.12.2015 | | | | 31.12.2014 | | | |
|--|--------------|-----------------|---------------|---------------|--------------|-----------------|---------------|---------------|
| | AFS* | Loans & Receiv. | Cash | Total | AFS* | Loans & Receiv. | Cash | Total |
| Counterparties with external credit rating | | | | | | | | |
| Prime and high grade | 5 945 | 3 256 | 16 147 | 25 349 | 7 511 | 2 951 | 13 947 | 24 409 |
| Upper medium grade | 1 087 | 23 818 | 4 503 | 29 409 | 359 | 25 045 | 2 932 | 28 335 |
| Lower medium grade | 1 247 | 4 527 | 263 | 6 037 | 347 | 6 001 | 301 | 6 649 |
| Non-investment grade | 32 | 29 371 | 732 | 30 136 | 42 | 28 191 | 317 | 28 550 |
| Total | 8 310 | 60 973 | 21 646 | 90 930 | 8 259 | 62 188 | 17 497 | 87 944 |
| Counterparties without external credit rating | | | | | | | | |
| Group 1 | - | 4 855 | 25 | 4 880 | - | 4 488 | 48 | 4 537 |
| Group 2 | - | 95 | - | 95 | - | 136 | - | 136 |
| Total | - | 4 950 | 25 | 4 975 | - | 4 624 | 48 | 4 673 |
| Total | 8 310 | 65 922 | 21 671 | 95 905 | 8 259 | 66 812 | 17 545 | 92 616 |

* Available for sale financial assets (excl. equity instruments).

Not included in the above table are available for sale financial assets in the form of equity instruments without external credit rating. The four risk categories mentioned above are in principle based on the rating categories of external rating agencies and correspond to:

- Prime and high grade: Moody P-1, Aaa – Aa3; S&P A-1+, A-1, AAA – AA –; Fitch F1+, F1, AAA – AA- and equivalent
- Upper medium grade: Moody P-2, A1 – A3; S&P A-2, A+ – A-; Fitch F2, A+ – A- and equivalent
- Lower medium grade: Moody P-3, Baa1 – Baa3, S&P A-3, BBB+ – BBB-; Fitch F-3, BBBB+ – BBB- and equivalent
- Non-investment grade: Moody not prime, Ba1 – C; S&P B, C, BB+ – D; Fitch B, C, BB+ – D and equivalent

Please note that the EU uses these external agencies rating categories as a reference point notably for financial instruments and commercial banks, but may, after making its own analysis of individual cases, keep amounts in one of the above risk categories even though one or more of the above mentioned rating agencies may have downgraded the corresponding counterparty. As regards non-rated counterparties' group 1 relates to debtors without defaults in the past and group 2 relates to debtors with defaults in the past.

The amounts displayed above under Loans and receivables categorised in non-investment grade relate primarily to financial support loans disbursed by the Commission to Member States in financial difficulties and recoverables against certain Members States based on own resources regulations or other legal basis. The amount under cash relates to own resources bank accounts opened in the Treasury or in the central banks of Member States to hold the own resources contributions as foreseen in the regulation. The Commission may draw on these accounts solely to cover cash requirements arising from execution of the budget.

Borrowing and Lending activities

Exposure to credit risk is managed firstly by obtaining country guarantees in the case of Euratom, then through the Guarantee Fund for external actions (MFA & Euratom), then by the possibility of drawing the necessary funds from the Commission's own resources accounts with the Member States and ultimately through the Budget of the EU. The Own Resources legislation fixes the ceiling for own resources payments at 1.23 % of Member States' GNI and during 2015 0.92 % was actually used to cover payment appropriations. This means that at 31 December 2015 there existed an available margin of 0.31 % to cover these guarantees. The Guarantee Fund for external actions was set up in 1994 to cover default risks related to borrowings which finance loans to countries outside the EU. In any case, the exposure to credit risk is mitigated by the possibility to draw on the Commission's own resources accounts with Member States in excess of the assets on those accounts in case a debtor would be unable to reimburse the amounts due in full. To this end, the EU is entitled to call upon all the Member States to ensure compliance with the EU's legal obligation towards its lenders.

As far as treasury operations are concerned, guidelines on the choice of counterparties must be applied. Accordingly, the operating unit will be able to enter into deals only with eligible banks having sufficient counterparty limits.

Treasury

Most of the Commission's treasury resources are kept, in accordance with Council Regulation No 1150/2000 on own resources, in the accounts opened by Member States for the payment of their contributions (own resources). All such accounts are held with Member States' treasuries or national central banks. These institutions carry the lowest credit (or counterparty) risk for the Commission as the exposure is with its Member States. For the part of the Commission's treasury resources kept with commercial banks, in order to cover the execution of payments, replenishment of these accounts is made on a just-in-time basis and is automatically managed by the treasury cash management system. Minimum cash levels, which take into account the average amount of daily payments executed from it, are kept on each account. As a consequence the total amount kept overnight on these accounts remains constantly at low levels (overall around EUR 60 million on average, spread over 20 accounts) and so ensure the Commission's risk exposure is limited. These amounts should be viewed with regard to the daily overall treasury balances which fluctuated in 2015 between EUR 300 million and EUR 34 billion, and with an overall amount of payments made from Commission accounts in 2015 that exceeds EUR 142 billion.

In addition, specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which the Commission is exposed:

- All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent. A lower level may be accepted in specific and duly justified circumstances.
- The credit ratings of the commercial banks where the Commission has accounts are reviewed on a daily basis. Intensified monitoring measures and daily reviews of commercial banks' ratings were adopted in the context of the financial crisis, and kept in place.
- In delegations outside the EU, imprest accounts are held with local banks selected by a simplified tendering procedure. Rating requirements depend on the local situation and may significantly differ from one country to another. In order to limit risk exposure, balances on these accounts are kept at the lowest possible levels (taking into account operational needs), they are regularly replenished, and the applied ceilings are reviewed on a yearly basis.

Fines

Provisionally cashed fines: deposits

Banks holding deposits for the fines provisionally cashed before 2010 are selected by tender procedure in compliance with the risk management policy which defines the credit rating requirements and the amount of funds which could be placed in proportion to the counterparty equity.

For commercial banks that have been specifically selected for the deposit of provisionally cashed fines, a minimum long-term rating A (S&P or equivalent) and a minimum short term rating A-1 (S&P or equivalent) is required as a general rule. Specific measures are applied in case banks in this group are subject to downgrade. In addition, the amount deposited with each bank is limited to a certain percentage of its own funds, which varies depending on the rating level of each institution. The calculation of such limits also takes into account the amount of outstanding guarantees issued to the Commission by the same institution. The compliance of outstanding deposits with the applicable policy requirements is reviewed regularly.

Provisionally cashed fines: BUFI portfolio

For investments from provisionally cashed fines, the Commission takes on exposure to credit risk. The highest concentration of exposure is towards France and Italy as these countries represent 32 % and 16 % respectively of the total nominal volume of the portfolio.

Bank guarantees

Significant amounts of guarantees issued by financial institutions are also held by the Commission in relation to the fines it imposes on companies breaching EU competition rules (see note **2.6.1.2**). These guarantees are provided by fined companies as an alternative to making provisional payments. The risk management policy applied for the acceptance of such guarantees has been reviewed in 2012 and a new combination of credit rating requirements and limited percentages per counterparty (proportional to each

counterpart's own funds) has been defined in the light of the current financial environment in the EU. It continues to ensure a high credit quality for the Commission. The compliance of the outstanding guarantees with the applicable policy requirements is reviewed regularly.

Guarantee Fund for external actions

In accordance with the agreement between the EU and the EIB on the management of this Guarantee Fund, all investments (securities, deposits etc.) have the required investment grade rating.

6.6. Liquidity risk

Maturity analysis of financial liabilities by remaining contractual maturity

| | EUR millions | | | |
|----------------------------------|---------------|---------------|---------------|----------------|
| | < 1 year | 1-5 years | > 5 years | Total |
| <i>Borrowings</i> | 7 218 | 9 660 | 39 982 | 56 860 |
| <i>Finance lease liabilities</i> | 75 | 392 | 1 256 | 1 723 |
| <i>Payables</i> | 32 191 | – | – | 32 191 |
| <i>Other</i> | 645 | 120 | 353 | 1 120 |
| Total at 31.12.2015 | 40 130 | 10 173 | 41 591 | 91 894 |
| <i>Borrowings</i> | 8 727 | 15 386 | 34 357 | 58 470 |
| <i>Finance lease liabilities</i> | 81 | 366 | 1 309 | 1 755 |
| <i>Payables</i> | 43 180 | – | – | 43 180 |
| <i>Other</i> | 20 | 97 | 336 | 454 |
| Total at 31.12.2014 | 52 008 | 15 849 | 36 002 | 103 859 |

Borrowing and Lending activities

The liquidity risk that arises from borrowings is generally offset by equivalent loans in terms and conditions (back-to-back operations). For MFA and Euratom, the Guarantee Fund for external actions serves as a liquidity reserve (or safety net) in case of payment default and payment delays of borrowers. For BOP, the Council Regulation 431/2009 provides for a procedure allowing sufficient time to mobilise funds through the Commission's own resources accounts with the Member States. For EFSM, the Council Regulation 407/2010 provides for a similar procedure.

Treasury

EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments. In fact, the total Member States contributions equal the amount of payment appropriations for the budgetary year. Member States' contributions, however, are received in twelve monthly instalments throughout the year, while payments are subject to certain seasonality. Moreover, in accordance with the Council Regulation 1150/2000 (Own Resources Regulation), Member States contributions relating to (amending) budgets approved after the 16th of a given month (N) only become available in month N+2, while the related payment appropriations are immediately available. In order to ensure that available treasury resources are always sufficient to cover the payments to be executed in any given month, procedures regarding regular cash forecasting are in place, and own resources or additional funding can be called up in advance from Member States if needed, up to certain limits and under certain conditions. Seasonality of expenditure and overall budgetary restrictions in recent years have resulted in the need for increased monitoring of the rhythm of payments over the year. In addition to the above, in the context of the Commission's daily treasury operations, automated cash management tools ensure that sufficient liquidity is available on each of the Commission's bank accounts, on a daily basis.

Guarantee Fund for external actions

The fund is managed according to the principle that the assets shall have a sufficient degree of liquidity and mobilisation in relation to the relevant commitments. The fund must maintain a minimum of EUR 100 million in a portfolio with a maturity of less than twelve months which is to be invested in monetary instruments. As at 31 December 2015 these investments, including cash, amounted to EUR 173 million. Furthermore, a minimum of 20 % of the fund's nominal value shall comprise monetary instruments, fixed-rate bonds with a remaining maturity of no more than one year, and floating-rate bonds. As at 31 December 2015 this ratio stood at 28 %.

7. RELATED PARTY DISCLOSURES

7.1. RELATED PARTIES

The related parties of the EU are the EU consolidated entities, associates and the key management personnel of these entities. Transactions between these entities take place as part of the normal operations of the EU and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

7.2. KEY MANAGEMENT ENTITLEMENTS

For the purposes of presenting information on related party transactions concerning the key management of the EU, such persons are shown here under five categories:

Category 1: the Presidents of the European Council, the Commission and the Court of Justice of the European Union

Category 2: the Vice-president of the Commission and High Representative of the EU for Foreign Affairs and Security Policy and the other Vice-presidents of the Commission

Category 3: the Secretary-General of the Council, the Members of the Commission, the Judges and Advocates General of the Court of Justice of the European Union, the President and Members of the General Court, the President and Members of the European Civil Service Tribunal, the Ombudsman and the European Data Protection Supervisor

Category 4: the President and Members of the European Court of Auditors

Category 5: the highest ranking civil servants of the Institutions and Agencies

A summary of their entitlements is given below – further information can be found in the Staff Regulations published on the Europa website which is the official document describing the rights and obligations of all officials of the EU. Key management personnel have not received any preferential loans from the EU.

KEY MANAGEMENT FINANCIAL ENTITLEMENTS

EUR

| Entitlement (per employee) | Category 1 | Category 2 | Category 3 | Category 4 | Category 5 |
|---|-----------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Basic salary (per month) | 26 167.89 | 23 702.80 - 24 650.91 | 18 962.24 - 21 332.52 | 20 479.22 - 21 806.58 | 12 057.21 - 18 962.24 |
| Residential/Expatriation allowance | 15 % | 15 % | 15 % | 15 % | 0 - 4 % - 16 % |
| Family allowances: | | | | | |
| Household (% salary) | 2 % + 176.01 | 2 % + 176.01 | 2 % + 176.01 | 2 % + 176.01 | 2 % + 176.01 |
| Dependent child | 384.60 | 384.60 | 384.60 | 384.60 | 384.60 |
| Pre-school | 93.95 | 93.95 | 93.95 | 93.95 | 93.95 |
| Education, or | 260.95 | 260.95 | 260.95 | 260.95 | 260.95 |
| Education outside place of work | 521.90 | 521.90 | 521.90 | 521.90 | 521.90 |
| Presiding judges allowance | N/A | N/A | 607.71 | N/A | N/A |
| Representation allowance | 1 418.07 | 911.38 | 607.71 | N/A | N/A |
| Annual travel costs | N/A | N/A | N/A | N/A | N/A |
| Transfers to Member State: | | | | | |
| Education allowance* | Yes | Yes | Yes | Yes | Yes |
| % of salary* | 5 % | 5 % | 5 % | 5 % | 5 % |
| % of salary with no cc | max 25 % | max 25 % | max 25 % | max 25 % | max 25 % |
| Representation expenses | Reimbursed | Reimbursed | Reimbursed | N/A | N/A |
| Taking up duty: | | | | | |
| Installation expenses | 52 335.78 | 47 405.60 - 49 301.82 | 37 924.50 - 42 665.04 | 40 958.44 - 43 613.16 | Reimbursed |
| Family travel expenses | Reimbursed | Reimbursed | Reimbursed | Reimbursed | Reimbursed |
| Moving expenses | Reimbursed | Reimbursed | Reimbursed | Reimbursed | Reimbursed |
| Leaving office: | | | | | |
| Resettlement expenses | 26 167.89 | 23 702.80 - 24 650.91 | 18 962.24 - 21 332.52 | 20 479.22 - 21 806.58 | Reimbursed |
| Family travel expenses | Reimbursed | Reimbursed | Reimbursed | Reimbursed | Reimbursed |
| Moving expenses | Reimbursed | Reimbursed | Reimbursed | Reimbursed | Reimbursed |
| Transition (% salary)** | 40 % - 65 % | 40 % - 65 % | 40 % - 65 % | 40 % - 65 % | N/A |
| Sickness insurance | Covered | Covered | Covered | Covered | Covered |
| Pension (% salary, before tax) | Max 70 % | Max 70 % | Max 70 % | Max 70 % | Max 70 % |
| Deductions: | | | | | |
| Tax on salary | 8 % - 45 % | 8 % - 45 % | 8 % - 45 % | 8 % - 45 % | 8 % - 45 % |
| Sickness insurance (% salary) | 1.7 % | 1.7 % | 1.7 % | 1.7 % | 1.7 % |
| Special levy on salary | 7 % | 7 % | 7 % | 7 % | 6 - 7 % |
| Pension deduction | N/A | N/A | N/A | N/A | 10.1 % |
| Number of persons at year-end | 3 | 8 | 93 | 28 | 112 |

* With correction coefficient ("CC") applied.

** Paid for the first 3 years following departure.

8. EVENTS AFTER THE BALANCE SHEET DATE

At the date of signing of these accounts, except for the matter outlined below, no material issues had come to the attention of the Accounting Officer of the Commission or were reported to him that would require separate disclosure under this section. The accounts and related notes were prepared using the most recently available information and this is reflected in the information presented.

On 23 June 2016, the citizens of the United Kingdom voted to leave the European Union. To give effect to this decision of the British people, Article 50 of the Treaty on European Union must be invoked. This article sets out the procedure to be followed if a Member State decides to leave the European Union, and only when this article is activated can the negotiations on the departure of the United Kingdom begin. In accordance with the guidelines provided by the European Council, the Union shall then negotiate and conclude an agreement with the United Kingdom, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. At the time of the signing of these accounts, formal notification of the triggering of Article 50 has not been presented.

9. SCOPE OF CONSOLIDATION

A. CONTROLLED ENTITIES (52)

1. Institutions and consultative bodies (11)

| | |
|---|---|
| <i>European Parliament</i> | <i>European Data Protection Supervisor</i> |
| <i>European Council</i> | <i>European Economic and Social Committee</i> |
| <i>European Commission</i> | <i>European Ombudsman</i> |
| <i>European Court of Auditors</i> | <i>Committee of the Regions</i> |
| <i>Court of Justice of the European Union</i> | <i>Council of the European Union</i> |
| <i>European External Action Service</i> | |

2. EU Agencies (39)

2.1. Executive Agencies (6)

| | |
|---|--|
| <i>Education, Audiovisual & Culture Executive Agency</i> | <i>Executive Agency for Small and Medium-sized Enterprises</i> |
| <i>Consumers, Health, Agriculture and Food Executive Agency</i> | <i>Innovation & Networks Executive Agency</i> |
| <i>Research Executive Agency</i> | <i>European Research Council Executive Agency</i> |

2.2. Decentralised Agencies (33)

| | |
|--|---|
| <i>European Maritime Safety Agency</i> | <i>European Food Safety Authority</i> |
| <i>European Medicines Agency</i> | <i>European Railway Agency</i> |
| <i>European GNSS Supervisory Authority</i> | <i>Community Plant Variety Office</i> |
| <i>European Chemicals Agency</i> | <i>European Fisheries Control Agency</i> |
| <i>Fusion for Energy (European Joint Undertaking for ITER and the Development of Fusion Energy)</i> | <i>European Monitoring Centre for Drugs and Drug Addiction</i> |
| <i>Eurojust</i> | <i>European Police College (CEPOL)</i> |
| <i>European Institute for Gender Equality</i> | <i>European Police Office (EUROPOL)</i> |
| <i>European Agency for Safety and Health at Work</i> | <i>European Aviation Safety Agency</i> |
| <i>European Centre for Disease Prevention and Control</i> | <i>European Network and Information Security Agency</i> |
| <i>European Environment Agency</i> | <i>European Union Agency for Fundamental Rights</i> |
| <i>European Centre for the Development of Vocational training</i> | <i>European Insurance and Occupational Pensions Authority</i> |
| <i>European Agency for Cooperation of Energy Regulators</i> | <i>Translation Centre for the Bodies of the European Union</i> |
| <i>European Banking Authority</i> | <i>European Securities and Markets Authority</i> |
| <i>European Asylum Support Office</i> | <i>European Training Foundation</i> |
| <i>Office for the Body of European Regulators for Electronic Communication</i> | <i>European Foundation for the Improvement of Living and Working Conditions</i> |
| <i>European Agency for the Management of Operational Co-operation at External Borders of the Member States of the EU</i> | <i>EU Office for Harmonisation in the Internal Market (Trade Marks and Designs)</i> |
| <i>EU-LISA (European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice)</i> | |

3. Other controlled entities (2)

| | |
|---|--|
| <i>European Coal and Steel Community (in liquidation)</i> | <i>European Institute of Innovation and Technology</i> |
|---|--|

B. JOINT VENTURES (7)

| | |
|--|--|
| <i>SESAR Joint Undertaking</i> | <i>Innovative Medicines Initiative 2 Joint Undertaking</i> |
| <i>Fuel Cells and Hydrogen 2 Joint Undertaking</i> | <i>ECSEL Joint undertaking</i> |
| <i>Clean Sky 2 Joint Undertaking</i> | <i>Bio-based Industries Joint Undertaking*</i> |
| <i>Galileo Joint Undertaking in liquidation</i> | |

C. ASSOCIATES (1)

| |
|---------------------------------|
| <i>European Investment Fund</i> |
|---------------------------------|

* Included for the first time in 2015.

AGGREGATED REPORTS ON THE IMPLEMENTATION OF THE BUDGET AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into millions of euros, some financial data in the tables below may appear not to add-up.

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EU BUDGET RESULT

EUR millions

| | Note | 2015 | 2014 |
|--|------|--------------|--------------|
| Revenue for the financial year | 4.1 | 146 624 | 143 940 |
| Payments against current year appropriations | 5.3 | (143 485) | (141 193) |
| Payment appropriations carried over to year N+1 | | (1 299) | (1 787) |
| Cancellation of unused appropriations carried over from year N-1 | | 29 | 25 |
| Evolution of assigned revenue | | (704) | 336 |
| Exchange differences for the year | | 182 | 110 |
| Budget result* | 2.2 | 1 347 | 1 432 |

* Of which EFTA result is EUR (2) million in 2015 and EUR (3) million in 2014.

RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR millions

| | 2015 | 2014 |
|---|-----------------|-----------------|
| ECONOMIC RESULT OF THE YEAR | (13 033) | (11 280) |
| Revenue | | |
| <i>Entitlements established in current year but not yet collected</i> | (318) | (6 573) |
| <i>Entitlements established in previous years and collected in current year</i> | 7 943 | 4 809 |
| <i>Accrued revenue (net)</i> | (359) | (4 877) |
| Expenses | | |
| <i>Accrued expenses (net)</i> | 9 920 | 9 223 |
| <i>Expenses prior year paid in current year</i> | (1 208) | (821) |
| <i>Net-effect pre-financing</i> | (4 831) | 457 |
| <i>Payment appropriations carried over to next year</i> | (2 195) | (1 979) |
| <i>Payments made from carry-overs & cancellation of unused payment appropriations</i> | 1 979 | 1 858 |
| <i>Movement in provisions</i> | 4 950 | 12 164 |
| <i>Other</i> | (1 671) | (1 719) |
| Economic result Agencies and ECSC | 169 | 170 |
| BUDGET RESULT OF THE YEAR | 1 347 | 1 432 |

For further explanations on the reconciliation of economic with budget result see note 3.

See also table 6.5 Budget result including agencies.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

BUDGET REVENUE

EUR millions

| | Initial adopted budget | Amending budgets | Final adopted budget | Revenue |
|---|------------------------------|---------------------|----------------------------|----------------|
| 1 Own resources | 139 639 | (9 971) | 129 667 | 130 738 |
| <i>of which Customs duties</i> | 16 701 | 1 934 | 18 635 | 18 607 |
| <i>of which VAT</i> | 18 264 | (241) | 18 023 | 18 269 |
| <i>of which GNI</i> | 104 548 | (11 664) | 92 884 | 94 009 |
| 3 Surpluses, balances and adjustments on own resources | – | 8 568 | 8 568 | 8 031 |
| 4 Revenue accruing from persons working with the institutions and with other Union bodies | 1 301 | – | 1 301 | 1 329 |
| 5 Revenue accruing from the administrative operation of the institutions | 54 | 40 | 94 | 563 |
| 6 Contributions and refunds in connection with Union agreements and programmes | 60 | – | 60 | 4 198 |
| 7 Interests on late payments and fines | 123 | 1 400 | 1 523 | 1 703 |
| 8 Borrowing and lending operations | 7 | 30 | 37 | 42 |
| 9 Miscellaneous revenue | 30 | – | 30 | 19 |
| Total | 141 214 | 66 | 141 280 | 146 624 |

For details of the 2015 revenue implementation see note 4.

BUDGET EXPENDITURE: COMMITMENTS BY MULTIANNUAL FINANCIAL FRAMEWORK (MFF) HEADING

EUR millions

| MFF Heading | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Additional appropriations* | Total appropriations available | Commitments made |
|--|------------------------|------------------------------|----------------------|----------------------------|--------------------------------|------------------|
| 1 Smart and inclusive growth | 66 782 | 11 173 | 77 955 | 11 429 | 89 384 | 88 151 |
| 1a: Competitiveness for growth and jobs | 17 552 | 0 | 17 552 | 2 538 | 20 090 | 18 905 |
| 1b: Economic, social and territorial cohesion | 49 230 | 11 173 | 60 403 | 8 890 | 69 293 | 69 246 |
| 2 Sustainable growth: natural resources | 58 809 | 5 069 | 63 877 | 5 262 | 69 140 | 67 375 |
| of which: Market related expenditure and direct payments | 43 456 | (1) | 43 455 | 2 841 | 46 296 | 44 948 |
| 3 Security and citizenship | 2 147 | 375 | 2 522 | 347 | 2 869 | 2 826 |
| 4 Global Europe | 8 408 | 386 | 8 795 | 979 | 9 774 | 9 397 |
| 5 Administration | 8 660 | (0) | 8 660 | 765 | 9 425 | 9 154 |
| of which: Administrative expenditure of the institutions | 3 667 | (0) | 3 667 | 420 | 4 087 | 3 954 |
| 6 Compensations | – | – | – | – | – | – |
| 8 Negative reserve | – | – | – | – | – | – |
| 9 Special instruments | 515 | (51) | 465 | 231 | 696 | 288 |
| Total | 145 322 | 16 952 | 162 273 | 19 013 | 181 286 | 177 190 |

* Additional appropriations include appropriations carried over from last year, assigned revenue and appropriations becoming available as a result of decommitments.

BUDGET EXPENDITURE: PAYMENTS BY MULTIANNUAL FINANCIAL FRAMEWORK (MFF) HEADING

EUR millions

| MFF Heading | | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Additional appropriations* | Total appropriations available | Payments made |
|--------------|--|------------------------|------------------------------|----------------------|----------------------------|--------------------------------|----------------|
| 1 | Smart and inclusive growth | 66 923 | (347) | 66 576 | 3 740 | 70 316 | 68 009 |
| | 1a: Competitiveness for growth and jobs | 15 798 | (189) | 15 609 | 3 375 | 18 984 | 16 802 |
| | 1b: Economic, social and territorial cohesion | 51 125 | (158) | 50 967 | 365 | 51 332 | 51 207 |
| 2 | Sustainable growth: natural resources | 55 999 | 214 | 56 213 | 3 276 | 59 489 | 58 066 |
| | of which: Market related expenditure and direct payments | 43 448 | (1) | 43 447 | 2 857 | 46 304 | 44 940 |
| 3 | Security and citizenship | 1 860 | 104 | 1 963 | 92 | 2 055 | 2 019 |
| 4 | Global Europe | 7 422 | 229 | 7 652 | 576 | 8 228 | 7 884 |
| 5 | Administration | 8 659 | 0 | 8 659 | 1 526 | 10 185 | 8 978 |
| | of which: Administrative expenditure of the institutions | 3 667 | (0) | 3 667 | 877 | 4 543 | 3 791 |
| 6 | Compensations | – | – | – | – | – | – |
| 8 | Negative reserve | – | – | – | – | – | – |
| 9 | Special instruments | 352 | (134) | 218 | 105 | 322 | 288 |
| Total | | 141 214 | 66 | 141 280 | 9 314 | 150 595 | 145 243 |

* Additional appropriations include appropriations carried over from last year, assigned revenue and appropriations becoming available as a result of decommitments.

For details of the 2015 expenditure implementation see note 5 and for the explanation note 5.11.

NOTES TO THE AGGREGATED REPORTS ON THE IMPLEMENTATION OF THE BUDGET

1. THE EU BUDGET CYCLE

The budgetary accounts are kept in accordance with the Financial Regulation (FR) and its rules of application. The general budget, the main instrument of the Union's financial policy, is the instrument which provides for and authorises the Union's revenue and expenditure every year. In accordance with the FR, there are two main elements: the multi annual financial framework (MFF), which sets the main ceilings for a period of 7 years, and the annual budget procedure.

1.1. MULTIANNUAL FINANCIAL FRAMEWORK 2014-2020

| EUR millions | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Heading | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
| 1. Smart and inclusive growth | 52 756 | 77 986 | 69 304 | 72 386 | 75 271 | 78 752 | 82 466 | 508 921 |
| 1.a Competitiveness for growth and jobs | 16 560 | 17 666 | 18 467 | 19 925 | 21 239 | 23 082 | 25 191 | 142 130 |
| 1.b Economic, social and territorial cohesion | 36 196 | 60 320 | 50 837 | 52 461 | 54 032 | 55 670 | 57 275 | 366 791 |
| 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 | 43 950 | 44 145 | 44 162 | 44 240 | 44 263 | 308 729 |
| 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 | - | - | - | - | - | - | 29 |
| 8. Negative reserve | | | | | | | | |
| 9. Special Instruments | | | | | | | | |
| Commitment appropriations: | 121 435 | 162 959 | 154 738 | 154 505 | 158 365 | 162 951 | 167 602 | 1 082 555 |
| Total payment appropriations: | 135 762 | 142 007 | 144 685 | 142 771 | 149 074 | 153 362 | 156 295 | 1 023 956 |

The above table shows the MFF ceilings at current prices. 2015 was the second financial year covered by the new MFF 2014-2020. The overall ceiling for commitments appropriations for 2015 was EUR 162 959 million, equivalent to 1.17 % of GNI, while the corresponding ceiling for payment appropriations was EUR 142 007 million, or 1.02 % of GNI.

The reprogramming of unused 2014 commitment appropriations to 2015 and 2016 (according to MFF Art. 19) was implemented by Council Regulation (EU, Euratom) No 2015/623 of 21 April 2015 (OJ L 103, 22 April 2015, p.1) with a revision of the MFF ceilings and a related amending budget for 2015. The main impacts in 2015 were under Heading 1(b) (EUR 11.2 billion) and Heading 2 (EUR 5 billion), while for 2016 the main change is to Heading 2 (EUR 4.4 billion).

New flexibility provisions have been agreed for the 2014-2020 MFF. One of the new provisions is a possibility to transfer unspent margin under the payment ceilings to the following years – via the Global Margin for Payments in the framework of the technical adjustment of the MFF for the following year. Therefore, the unspent amount from 2014 (EUR 104 million in current prices 2014) was transferred to 2015 (EUR 106 million in current prices of 2015) and the ceilings of 2014 and 2015 were adjusted accordingly – see Technical adjustment of the MFF for 2016 (COM(2015) 320 final, 22 May 2015).

An explanation of the various headings of the MFF is given below:

Heading 1 – Smart and inclusive growth

This heading is divided into two separate, but interlinked components

- (3) Competitiveness for growth and jobs, encompassing expenditure on research and innovation, education and training, European Connecting Facility, social policy, the internal market and accompanying policies.
- (4) Economic, social and territorial cohesion, designed to enhance convergence of the least developed Member States and regions, to complement the EU strategy for sustainable development outside the less prosperous regions and to support inter regional cooperation.

Heading 2 – Sustainable growth: natural resources

Heading 2 includes the common agricultural and fisheries policies, rural development and environmental measures, in particular Natura 2000.

Heading 3 – Security and citizenship

Heading 3 (Security and citizenship) reflects the growing importance attached to certain fields where the EU has been assigned particular tasks – justice and home affairs, border protection, immigration and asylum policy, public health and consumer protection, culture, youth, information and dialogue with citizens.

Heading 4 – Global Europe

Heading 4 covers all external action, including development cooperation, humanitarian aid, pre-accession and neighbourhood instruments. The EDF remains outside of the EU budget and is not part of the MFF.

Heading 5 – Administration

This heading covers administrative expenditure for all institutions, pensions and the European Schools. For the Institutions other than the Commission, these costs make up the total of their expenditure.

Heading 6 – Compensations

In accordance with the political agreement that new Member States should not become net-contributors to the budget at the very beginning of their membership, compensation was foreseen under this heading. This amount was available as transfers to them to balance their budgetary receipts and contributions.

1.2. POLICY AREAS

As part of its use of Activity Based Management (ABM) the Commission implements Activity Based Budgeting (ABB) in its planning and management processes. ABB involves a budget structure where budget titles correspond to policy areas and budget chapters to activities. ABB aims to provide a clear framework for translating the Commission's policy objectives into action, either through legislative, financial or any other public policy means. By structuring the Commission's work in terms of activities, a clear picture is obtained of the Commission's undertakings and simultaneously a common framework is established for priority setting. Resources are allocated to priorities during the budget procedure, using the activities as the building blocks for budgeting purposes. By establishing such a link between activities and the resources allocated to them, ABB aims to increase efficiency and effectiveness in the use of resources in the Commission.

A policy area may be defined as a homogeneous grouping of activities constituting parts of the Commission's work, which are relevant for the decision-making process. Each policy area corresponds, in general, to a Directorate General, and encompassing an average of about 6 or 7 individual activities. Policy areas are mainly operational, since their core activities aim at benefiting a third-party beneficiary within their respective domains of activity. The operational budget is completed with the necessary administrative expenditure for each policy area.

1.3. ANNUAL BUDGET

Every year, the Commission estimates all the Institutions' revenue and expenditure for the year and draws up a draft budget which it sends to the budgetary authority. On the basis of this draft budget, the Council sets out its position, which is then the subject of negotiations between the two arms of the budgetary authority. The President of the European Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable. During the year in question, amending budgets are adopted. The task of executing the budget is mainly the responsibility of the Commission.

The budget structure for the Commission consists of administrative and operational appropriations. The other Institutions have only administrative appropriations. Furthermore, the budget distinguishes between two types of appropriations: non-differentiated and differentiated. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality). Differentiated appropriations are used in order to reconcile the principle of annuality with the need to manage multi-annual operations. Differentiated appropriations are split into commitment and payment appropriations:

- **commitment appropriations:** cover the total cost of the legal obligations entered into for the current financial year for operations extending over a number of years. However, budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments where the basic act so provides.
- **payment appropriations:** cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years.

Origin of Appropriations

The main source of appropriations is the Union's adopted budget for the current year. However, there are other types of appropriations resulting from the provisions of the Financial Regulation. They come from previous financial years or outside sources. Thus the following origins of appropriations can be differentiated:

- **Budget appropriations** from initial adopted budget and amending budgets;
- **Appropriations carried over** from previous year;
- **Assigned revenue** which is made up of refunds, EFTA appropriations, revenue from third parties/other countries, work for third parties and appropriations made available again as a result of repayment of payments on account.

Composition of Total Available Budget

- Initial adopted budget = appropriations voted in year N-1;
- Amending budgets adopted;
- Additional appropriations = assigned revenue + appropriations carried over from the previous financial year or made available again following decommitments.

2. NOTES TO THE EU BUDGET RESULT

2.1. CALCULATION OF THE BUDGET RESULT

The budget result of the EU is returned to the Member States during the following year through deduction of their amounts due for that year.

The amounts of own resources entered in the accounts are those credited during the course of the year to the accounts opened in the Commission's name by the governments of the Member States. Revenue comprises also, in the case of a surplus, of the budget result for the previous financial year. The other revenue entered in the accounts is the amount actually received during the course of the year.

For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations means payments that are made by the accounting officer by 31 December of the financial year. For the EAGF, payments are those effected by the Member States between 16 October N-1 and 15 October N, provided that the accounting officer was notified of the commitment and authorisation by 31 January N+1. EAGF expenditure may be subject to a conformity decision following controls in the Member States.

The budget result comprises two elements: the result of the EU and the result of the participation of the EFTA countries belonging to the European Economic Area (EEA). In accordance with Article 15 of Regulation No 1150/2000 on own resources, this result represents the difference between:

- total revenue received for the financial year; and
- total payments made against current year's appropriations plus the total amount of that year's appropriations carried over to the following year.

The following are added to or deducted from the resulting figure:

- the net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the euro rate, exceed non-differentiated appropriations carried over from the previous year;
- the evolution of assigned revenue; and
- the net exchange-rate gains or losses recorded during the year.

Appropriations carried over from the previous financial year in respect of contributions by and work for third parties, which by definition never lapse, are included as additional appropriations for the financial year. This explains the difference between carryovers from the previous year in the 2015 budget implementation reports and those carried over to the following year in the 2014 budget implementation reports. Appropriations made available again following the repayment of payments on account are disregarded when calculating the budget result.

Payment appropriations carried over include: automatic carryovers and carryovers by decision. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations of appropriations carried over automatically and by decision.

2.2. IMPLEMENTATION OF THE 2015 EU BUDGET

Budget surplus of EUR 1.3 billion:

- The surplus comes primarily from the revenue side, in particular from the GNI and VAT resources revision of 2014 that was paid by Member States in 2015;
- The remaining EUR 182 million of surplus comes from exchange rate gains.

Revenue:

- Revenue, totalling EUR 146.6 billion, was EUR 5.3 billion higher than the final adopted budget due primarily to assigned revenue under headings 5 and 6 – see table **4.1** below;
- Fines revenue of EUR 1.3 billion was used to finance the increased need for payment appropriations;
- There was an exceptionally high revision of GNI own resources made in 2014 (EUR 9.5 billion) covering the period back to 2002. This had a significant impact on the budget revenue for 2015 since amounts were only paid in 2015.

Expenditure:

- Final adopted budget payment appropriations, excluding Special Instruments, totalled EUR 141.1 billion and were 1.6 % higher than in 2014 – see table **5.1**;
- Total payments amounted to EUR 145.2 billion, (2014: EUR 142.5 billion) – see table **5.3**.

Commitments & RAL:

- Available commitment appropriations of EUR 181.3 billion were implemented at an overall level of 97.7 % – see table **5.2**;
- Outstanding commitments ("RAL") increased from EUR 189.6 billion at end 2014 to EUR 217.7 billion at end 2015 – see table **5.4**. This reflects the increasing implementation of commitments of the new programming period.

A more detailed analysis of budgetary adjustments, their relevant context, their justification and their impact is presented in Commission's Report on Budgetary and Financial Management 2015, Part A "Overview at budget level" and Part B dealing with each heading of the multi-annual financial framework.

3. NOTES TO THE RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

In accordance with the Financial Regulation, the economic result of the year is calculated on the basis of accrual accounting principles, while the budget result is based on modified cash accounting rules. As the economic result and the budget result both cover the same underlying transactions, it is a useful control to ensure that they are reconcilable.

Reconciling items - Revenue

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary the entitlements established in previous years and collected in current year must be added to the economic result for reconciliation purposes.

The net accrued revenue mainly consists of accrued revenue for agriculture, own resources and interests and dividends. Only the net-effect, i.e. accrued revenue for current year minus reversal accrued revenue from previous year, is taken into consideration.

Reconciling items - Expenditure

Net accrued expenses mainly consists of accruals made for year-end cut-off purposes, i.e. eligible expenses incurred by beneficiaries of EU funds but not yet reported to the Commission. While accrued expenses are not considered as budgetary expenditure, payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure.

The net effect of pre-financing is the combination of (1) the new pre-financing amounts paid in the current year and recognised as budgetary expenditure of the year and (2) the clearing of the pre-financing paid in current year or previous years through the acceptance of eligible costs. The latter represent an expense in accrual terms but not in the budgetary accounts since the payment of the initial pre-financing had already been considered as a budgetary expenditure at the time of its payment.

Besides the payments made against the year's appropriations, the appropriations for that year that are carried forward to the next year also need to be taken into account in calculating the budget result for the year (in accordance with Article 15 of Regulation No 1150/2000). The same applies for the budgetary payments made in the current year from carry-overs from previous years, and the cancellation of unused payment appropriations.

The movement in provisions relates to year-end estimates made in the financial statements (employee benefits mainly) that do not impact the budgetary accounts. Other reconciling amounts comprise different elements such as asset depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

4. IMPLEMENTATION OF EU BUDGET REVENUE

4.1. SUMMARY OF THE IMPLEMENTATION OF BUDGET REVENUE

| EUR millions | | | | | | | | | | |
|--------------|---|------------------------------|----------------------------|--------------------------|-----------------|----------------|--|------------------------------------|----------------------------|--------------|
| Title | | Income appropriations | | Entitlements established | | | Revenue | | Receipts as % of budget | Outstanding |
| | | Initial adopted budget | Final adopted budget | Current year | Carried over | Total | On entitle- ments of current year | On entitlements carried over | | |
| 1 | Own resources | 139 639 | 129 667 | 130 733 | 32 | 130 766 | 130 729 | 9 | 100.83 % | 28 |
| 3 | Surpluses, balances and adjustments | – | 8 568 | 2 624 | 5 407 | 8 031 | 2 624 | 5 407 | 93.74 % | – |
| 4 | Revenue accruing from persons working with the institutions and other union bodies | 1 301 | 1 301 | 1 334 | 8 | 1 343 | 1 320 | 8 | 102.12 % | 14 |
| 5 | Revenue accruing from the administrative operation of the institutions | 54 | 94 | 560 | 21 | 581 | 548 | 15 | 596.25 % | 17 |
| 6 | Contributions and refunds in connection with union agreements and programmes | 60 | 60 | 4 202 | 271 | 4 473 | 4 065 | 133 | 6996.33 % | 275 |
| 7 | Interests on late payments and fines | 123 | 1 523 | 480 | 8 016 | 8 497 | 256 | 1 447 | 111.82 % | 6 793 |
| 8 | Borrowing and lending operations | 7 | 37 | 45 | 3 | 48 | 39 | 3 | 114.97 % | 6 |
| 9 | Miscellaneous revenue | 30 | 30 | 21 | 9 | 30 | 18 | 1 | 64.21 % | 10 |
| Total | | 141 214 | 141 280 | 139 999 | 13 768 | 153 768 | 139 599 | 7 024 | 103.78 % | 7 144 |

EUR millions

| Detail Title 1: Own resources | | | | | | | | | | | |
|-------------------------------|------------------------------------|------------------------|----------------------|--------------------------|--------------|----------------|---------------------------------|------------------------------|----------------|-------------------------|-------------|
| Chapter | | Income appropriations | | Entitlements established | | | Revenue | | | Receipts as % of budget | Outstanding |
| | | Initial adopted budget | Final adopted budget | Current year | Carried over | Total | On entitlements of current year | On entitlements carried over | Total | | |
| 11 | Sugar levies | 125 | 125 | 124 | – | 124 | 124 | – | 124 | 99.21 % | – |
| 12 | Customs duties | 16 701 | 18 635 | 18 602 | 32 | 18 634 | 18 597 | 9 | 18 607 | 99.85 % | 28 |
| 13 | VAT | 18 264 | 18 023 | 18 269 | – | 18 269 | 18 269 | – | 18 269 | 101.36 % | – |
| 14 | GNI | 104 548 | 92 884 | 94 009 | – | 94 009 | 94 009 | – | 94 009 | 101.21 % | – |
| 15 | Correction of budgetary imbalances | – | – | (270) | – | (270) | (270) | – | (270) | – | – |
| Total | | 139 639 | 129 667 | 130 733 | 32 | 130 766 | 130 729 | 9 | 130 738 | 100.83 % | 28 |

EUR millions

| Detail Title 3: Surpluses, balances and adjustments | | | | | | | | | | | |
|---|--|------------------------|----------------------|--------------------------|--------------|--------------|---------------------------------|------------------------------|--------------|-------------------------|-------------|
| Chapter | | Income appropriations | | Entitlements established | | | Revenue | | | Receipts as % of budget | Outstanding |
| | | Initial adopted budget | Final adopted budget | Current year | Carried over | Total | On entitlements of current year | On entitlements carried over | Total | | |
| 30 | Surplus from previous year | – | 1 435 | 1 435 | – | 1 435 | 1 435 | – | 1 435 | 100.00 % | – |
| 31 | VAT balances | – | (193) | 24 | (205) | (182) | 24 | (205) | (182) | 94.40 % | – |
| 32 | GNI balances | – | 7 326 | 1 346 | 5 613 | 6 958 | 1 346 | 5 613 | 6 958 | 94.98 % | (0) |
| 34 | Adjustment for non-participation in JHAP | – | – | (7) | – | (7) | (7) | – | (7) | – | – |
| 35 | United Kingdom correction - adjustments | – | – | (27) | – | (27) | (27) | – | (27) | – | – |
| 36 | United Kingdom correction - Intermediate calculation | – | – | (146) | – | (146) | (146) | – | (146) | – | – |
| Total | | – | 8 568 | 2 624 | 5 407 | 8 031 | 2 624 | 5 407 | 8 031 | 93.74 % | – |

4.2. REVENUE IMPLEMENTATION

4.2.1. Overview of 2015 revenue

In the initial adopted EU budget, signed by the President of the European Parliament on 17 December 2014, the amount of payment appropriations was EUR 141 214 million and the amount to be financed by own resources totalled EUR 139 639 million. The revenue and expenditure estimates in the initial budget are typically adjusted during the budgetary year, such modifications being presented in Amending Budgets. Adjustments in the GNI-based own resources ensure that budgeted revenue matches exactly budgeted expenditure. In accordance with the principle of equilibrium, budget revenue and expenditure (payment appropriations) must be in balance.

During 2015, eight amending budgets were adopted. Taking them into account, the total final adopted revenue for 2015 amounted to EUR 141 280 million. This was financed by own resources totalling EUR 129 667 million (thus EUR 9 972 million less than initially forecasted) and the remainder by other revenue. This is explained mainly by the surplus from the previous financial year, extraordinary income coming from the VAT and GNI adjustments of previous years and fines that reduced substantially Member States' GNI balancing contribution in 2015. As far as the own resources result is concerned, the collection of traditional own resources was very close to the forecasted amounts. This is primarily because the budget estimates that were modified at the time the Amending Budget No. 6/2015 was established (they were increased by EUR 1 134 million according to the new forecasts of spring 2015), were again amended in the Amending Budget No. 8/2015 to take into account the actual rhythm of collection. Thus they were increased a second time by EUR 800 million.

The final Member States' VAT and GNI payments also correspond closely to the final budgetary estimate. The differences between the forecasted amounts and the amounts actually paid are due to the differences between the euro rates used for budgetary purposes and the rates in force at the time when the Member States outside the EMU actually made their payments.

The VAT & GNI balances in 2014 included major revisions for the GNI dating back to 2002. Thus the adjustment was unprecedented in size totalling EUR 9.5 billion across all EU Member States. In order to address the exceptional situation, the Council adopted on 18 December 2014 a Commission proposal (Council Regulation (EU, Euratom) No 1377/2014 of 18 December 2014) allowing Member States to defer payment, interest free, under strict conditions, up to 1 September 2015. Accordingly 6 Member States opted to pay their adjustments in 2015. The deferred payment amounted to EUR 5.4 billion. The normal adjustment corresponding to 2015 totalled EUR 1.4 billion. The heading "Contributions and refunds in connection with EU agreements and programmes" concerns mainly revenue from the EAGF and EAFRD (and in particular the clearance of accounts and irregularities), the participation of third countries in research programs and other contributions and refunds to EU programs/activities. A substantial part of this total is made up of earmarked revenue, which typically gives rise to the entering of additional appropriations on the expenditure side.

The Amending Budget No. 8/2015 included fines and related interest on undertakings totalling EUR 1 345 million that were known at the time when the corresponding Draft Amending Budget was established. By 31 December 2015, other fines became definitive, either after a definitive judgement or because companies did not appeal new fine decisions.

4.2.2. Own resources revenue

The vast majority of revenue comes from own resources. This is laid down in Article 311 of the Treaty on the Functioning of the EU, which states that: "Without prejudice to other revenue, the budget shall be financed wholly from own resources." The bulk of budgetary expenditure is financed by own resources.

Own resources can be divided into the following categories:

- (1) Traditional own resources (TOR) consist of customs duties and sugar levies. These own resources are levied on economic operators and collected by Member States on behalf of the EU. However, Member States keep 25 % as a compensation for their collection costs (20 % according to the Council Decision No. 2014/335/EU, Euratom of 26 May 2014 waiting for finalisation of the ratification process for retroactive application from 2014 onwards). Customs duties are levied on imports of products coming from third countries, at rates based on the Common Customs Tariff. Sugar levies are paid by

sugar producers to finance the export refunds for sugar. TOR usually account for +/- 13 % of own resource revenue.

- (2) The own resource based on value added tax (VAT) is levied on Member States' VAT bases, which are harmonised for this purpose in accordance with EU rules. The same percentage is levied on the harmonised base of each Member State. However, the VAT base to take into account is capped at 50 % of each Member State's GNI. The VAT-based resource usually accounts for around 13 % of own resource revenue.
- (3) The resource based on gross national income (GNI) is used to balance budget revenue and expenditure, i.e. to finance the part of the budget not covered by any other sources of revenue. The same percentage rate is levied on each Member States' GNI, which is established in accordance with EU rules. The GNI-based resource usually accounts for +/- 74 % of own resource revenue.

The allocation of own resources is made in accordance with the rules laid down in the Council Decision No. 2007/436/EC, Euratom of 7 June 2007 on the system of the EU's own resources (ORD 2007). A new decision establishing the system of the EU's own resources has been adopted for the 2014-2020 period (ORD 2014: Council Decision No. 2014/335/EU, Euratom of 26 May 2014). The 2014 ORD will enter into force after it has been ratified by all Member States according to their constitutional rules (expected in 2016). Until then, the ORD 2007 remains valid. The retroactive effects (the ORD 2014 will apply from 1 January 2014) will be taken into account in the budgetary year when the decision will enter into force.

4.2.3. Traditional own resources

All established traditional own resource amounts must be entered in one or other of the accounts kept by the competent authorities:

- In the ordinary accounts provided for in Article 6(3)(a) of Regulation No 1150/2000: all amounts recovered or guaranteed.
- In the separate accounts provided for in Article 6(3)(b) of Regulation No 1150/2000: all amounts not yet recovered and/or not guaranteed; amounts guaranteed but challenged may also be entered in this account.

For the separate account, the Member States quarterly statement to the Commission includes:

- the balance to be recovered during the previous quarter,
- the established entitlements during the quarter in question,
- rectifications of the base (corrections/cancellations) during the quarter in question,
- amounts written off (which cannot be made available according to Article 17(2) of Regulation 1150/2000),
- the amounts recovered during the quarter in question,
- the balance to be recovered at the end of the quarter in question.

Traditional own resources must be entered in the Commission's account with the Treasury or the body appointed by the Member State at the latest on the first working day following the 19th day of the second month following the month during which the entitlement was established (or recovered in the case of the separate account). Member States retain, by way of collection costs, 25 % of traditional own resources (20 % according to the Council Decision No. 2014/335/EU, Euratom of 26 May 2014 waiting for finalisation of the ratification process for retroactive application from 2014 onwards). The contingent own resources entitlements are adjusted on the basis of the likelihood of their recovery.

4.2.4. VAT-based resources and GNI-based resources

VAT-based own resources derive from the application of a uniform rate, for all Member States, to the harmonised VAT base determined in accordance with the rules of Article 2(1)(b) of the ORD 2007. The uniform rate is fixed at 0.30 % except for the period 2007-2013 in which the rate of call for Austria was fixed at 0.225 %, for Germany at 0.15 % and for Netherlands and Sweden at 0.10 %. The VAT base is capped at 50 % of GNI for all Member States. According to the 2014 ORD, the rate of call will remain at 0.3 %, except for the period 2014-20 the rate of call for Germany, the Netherlands and Sweden will be fixed at 0.15 %. These lower rates will be implemented retroactively once the ratification of the ORD 2014 will be finalised.

The GNI-based resource is a variable resource intended to supply the revenue required, in any given year, to cover expenditure exceeding the amount collected from traditional own resources, VAT resources and miscellaneous revenue. The revenue derives from the application of a uniform rate to the aggregate GNI of all the Member States. VAT and GNI-based resources are determined on the basis of forecasts of VAT and GNI bases made when the draft budget is being prepared. These forecasts are subsequently revised; the figures are updated during the budget year in question by means of an amending budget. The actual figures for the VAT and GNI bases are available in the course of the year following the budget year in question. The Commission calculates the differences between the amounts due by the Member States by reference to the actual bases and the sums actually paid on the basis of the (revised) forecasts. These VAT and GNI balances, either positive or negative, are called in by the Commission from the Member States for the first working day of December of the year following the budget year in question. The Council adopted on 18 December 2014 Regulation (EU, Euratom) No 1377/2014 which allows Member States, under certain conditions, to defer making available the amounts of VAT and GNI balances until the first working day of September of the following year. Corrections may still be made to the actual VAT and GNI bases during the subsequent four years, unless a reservation is issued. The balances calculated earlier are adjusted and the difference is called in at the same time as the VAT and GNI balances for the previous budget year.

When conducting controls of VAT statements and GNI data, the Commission may notify reservations to the Member States regarding certain points which may have consequences to their own resources contributions. These points, for example, may result from an absence of acceptable data, or a need to develop a suitable methodology. These reservations have to be seen as potential claims on the Member States for uncertain amounts as their financial impact cannot be estimated with accuracy. When the exact amount can be determined, the corresponding VAT and GNI-based resources are called either in connection with VAT and GNI balances or by individual calls for funds.

4.2.5. UK correction

This mechanism reduces the own resources payments of the UK in proportion to what is known as its "budgetary imbalance" and increases the own resources payments of the other Member States correspondingly. The budgetary imbalance correction mechanism in favour of the United Kingdom was instituted by the European Council in Fontainebleau (June 1984) and the resulting Own Resources Decision of 7 May 1985. The purpose of the mechanism was to reduce the budgetary imbalance of the UK through a reduction in its payments to the EU. Germany, Austria, Sweden and Netherlands benefit from a reduced financing of the correction (restricted to one fourth of their normal share).

4.2.6. Gross reduction

The European Council of 7-8 February 2013 concluded that Denmark, the Netherlands and Sweden are to benefit from gross reductions in their annual contributions based on GNI for the period 2014-2020 only and that Austria is to benefit from gross reductions in its annual GNI-based contributions for the period 2014-2016 only. Denmark, the Netherlands and Sweden shall benefit from gross reductions in their annual GNI-based contribution of EUR 130 million, EUR 695 million and EUR 185 million respectively. Austria shall benefit from a gross reduction in its annual GNI-based contribution of EUR 30 million in 2014, EUR 20 million in 2015 and EUR 10 million in 2016 (all amounts in 2011 prices). These provisions were taken up in the ORD 2014 and applied (retroactively) after its entry into force.

5. IMPLEMENTATION OF EU BUDGET EXPENDITURE

5.1. MFF: BREAKDOWN & CHANGES IN COMMITMENT & PAYMENT APPROPRIATIONS

EUR millions

| MFF Heading | Commitment appropriations | | | | | | Payment appropriations | | | | | |
|--|---------------------------|------------------------------|----------------------|---------------------------|------------------|--------------------------------|------------------------|------------------------------|----------------------|---------------------------|------------------|--------------------------------|
| | Budget appropriations | | Final adopted budget | Additional appropriations | | Total Appropriations available | Budget appropriations | | Final adopted budget | Additional appropriations | | Total Appropriations available |
| | Initial adopted budget | Amending budgets & transfers | | Carry-overs | Assigned revenue | | Initial adopted budget | Amending budgets & transfers | | Carry-overs | Assigned revenue | |
| | 1 | 2 | 3=1+2 | 4 | 5 | 6=3+4+5 | 7 | 8 | 9=7+8 | 10 | 11 | 12=9+10+11 |
| 1. Smart and inclusive growth | 66 782 | 11 173 | 77 955 | 8 480 | 2 949 | 89 384 | 66 923 | (347) | 66 576 | 128 | 3 612 | 70 316 |
| 1a: Competitiveness for growth and jobs | 17 552 | 0 | 17 552 | – | 2 538 | 20 090 | 15 798 | (189) | 15 609 | 112 | 3 263 | 18 984 |
| 1b: Economic, social and territorial cohesion | 49 230 | 11 173 | 60 403 | 8 480 | 411 | 69 293 | 51 125 | (158) | 50 967 | 16 | 349 | 51 332 |
| 2. Sustainable growth: natural resources | 58 809 | 5 069 | 63 877 | 2 867 | 2 395 | 69 140 | 55 999 | 214 | 56 213 | 902 | 2 374 | 59 489 |
| of which: Market related expenditure and direct payments | 43 456 | (1) | 43 455 | 868 | 1 973 | 46 296 | 43 448 | (1) | 43 447 | 884 | 1 973 | 46 304 |
| 3. Security and citizenship | 2 147 | 375 | 2 522 | 254 | 93 | 2 869 | 1 860 | 104 | 1 963 | 8 | 84 | 2 055 |
| 4. Global Europe | 8 408 | 386 | 8 795 | 335 | 644 | 9 774 | 7 422 | 229 | 7 652 | 42 | 534 | 8 228 |
| 5. Administration | 8 660 | (0) | 8 660 | 93 | 672 | 9 425 | 8 659 | 0 | 8 659 | 845 | 681 | 10 185 |
| of which: Administrative expenditure of the institutions | 3 667 | (0) | 3 667 | 93 | 327 | 4 087 | 3 667 | (0) | 3 667 | 543 | 334 | 4 543 |
| 6. Compensations | – | – | – | – | – | – | – | – | – | – | – | – |
| 8. Negative reserve | – | – | – | – | – | – | – | – | – | – | – | – |
| 9. Special Instruments | 515 | (51) | 465 | 162 | 69 | 696 | 352 | (134) | 218 | 36 | 69 | 322 |
| Total | 145 322 | 16 952 | 162 273 | 12 191 | 6 822 | 181 286 | 141 214 | 66 | 141 280 | 1 960 | 7 354 | 150 595 |

5.2. MFF: IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

| EUR millions | | | | | | | | | | | | | | | | |
|--------------|--|--------------------------------|---------------------------|------------------|-----------------------|---------|-------------------------------------|------------------|-------------------------|-------|------------------------|---------------------------|------------------|------------------------------|-------------|---------|
| MFF Heading | | Total appropriations available | Commitments made | | | | Appropriations carried over to 2016 | | | | Appropriations lapsing | | | | | |
| | | | from final adopted budget | from carry-overs | from assigned revenue | Total | % | assigned revenue | carry-overs by decision | Total | % | from final adopted budget | from carry-overs | from assigned revenue (EFTA) | Total | % |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10=9/1 | 11 | 12 | 13 | 14=11+12+13 | 15=14/1 |
| 1. | Smart and inclusive growth | 89 384 | 77 917 | 8 480 | 1 754 | 88 151 | 98.62 % | 1 190 | 7 | 1 198 | 1.34 % | 30 | – | 5 | 35 | 0.04 % |
| | 1a: Competitiveness for growth and jobs | 20 090 | 17 542 | – | 1 364 | 18 905 | 94.10 % | 1 170 | 0 | 1 170 | 5.83 % | 10 | – | 5 | 14 | 0.07 % |
| | 1b: Economic, social and territorial cohesion | 69 293 | 60 375 | 8 480 | 391 | 69 246 | 99.93 % | 20 | 7 | 27 | 0.04 % | 21 | – | – | 21 | 0.03 % |
| 2. | Sustainable growth: natural resources | 69 140 | 63 432 | 2 853 | 1 090 | 67 375 | 97.45 % | 1 306 | 410 | 1 716 | 2.48 % | 35 | 14 | – | 49 | 0.07 % |
| | of which: Market related expenditure and direct payments | 46 296 | 43 018 | 854 | 1 077 | 44 948 | 97.09 % | 896 | 410 | 1 306 | 2.82 % | 27 | 14 | – | 42 | 0.09 % |
| 3. | Security and citizenship | 2 869 | 2 520 | 254 | 53 | 2 826 | 98.49 % | 41 | – | 41 | 1.42 % | 2 | 0 | 0 | 3 | 0.09 % |
| 4. | Global Europe | 9 774 | 8 745 | 335 | 317 | 9 397 | 96.15 % | 327 | 17 | 344 | 3.52 % | 32 | 1 | – | 33 | 0.34 % |
| 5. | Administration | 9 425 | 8 577 | 92 | 484 | 9 154 | 97.12 % | 187 | 2 | 189 | 2.01 % | 82 | 1 | – | 82 | 0.87 % |
| | of which: Administrative expenditure of the institutions | 4 087 | 3 585 | 92 | 276 | 3 954 | 96.74 % | 51 | 2 | 53 | 1.29 % | 80 | 1 | 0 | 81 | 1.97 % |
| 6. | Compensations | – | – | – | – | – | 0.00 % | – | – | – | 0.00 % | – | – | – | – | 0.00 % |
| 8. | Negative reserve | – | – | – | – | – | 0.00 % | – | – | – | 0.00 % | – | – | – | – | 0.00 % |
| 9. | Special Instruments | 696 | 126 | 162 | – | 288 | 41.46 % | 69 | 219 | 288 | 41.43 % | 119 | – | – | 119 | 17.11 % |
| Total | | 181 286 | 161 317 | 12 175 | 3 698 | 177 190 | 97.74 % | 3 119 | 656 | 3 775 | 2.08 % | 301 | 15 | 5 | 321 | 0.18 % |

5.3. MFF: IMPLEMENTATION OF PAYMENT APPROPRIATIONS

EUR millions

| MFF Heading | Total appropriations available | Payments made | | | | | Appropriations carried over to 2016 | | | | | Appropriations lapsing | | | | |
|--|--------------------------------|---------------------------|------------------|-----------------------|----------------|----------------|-------------------------------------|-------------------------|------------------|--------------|---------------|---------------------------|------------------|-------------------------|-------------|---------------|
| | | from final adopted budget | from carry-overs | from assigned revenue | Total | % | automatic carry-overs | carry-overs by decision | assigned revenue | Total | % | from final adopted budget | from carry-overs | assigned revenue (EFTA) | Total | 10=7+8+9 |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9 | 10=7+8+9 | 11=10/1 | 12 | 13 | 14 | 15=12+13+14 | 16=15/1 |
| 1. Smart and inclusive growth | 70 316 | 66 429 | 114 | 1 466 | 68 009 | 96.72 % | 119 | 2 | 2 144 | 2 264 | 3.22 % | 27 | 14 | 2 | 42 | 0.06 % |
| 1a: Competitiveness for growth and jobs | 18 984 | 15 482 | 100 | 1 221 | 16 802 | 88.50 % | 104 | 2 | 2 041 | 2 147 | 11.31 % | 22 | 12 | 2 | 36 | 0.19 % |
| 1b: Economic, social and territorial cohesion | 51 332 | 50 947 | 14 | 246 | 51 207 | 99.76 % | 15 | – | 103 | 118 | 0.23 % | 5 | 2 | – | 7 | 0.01 % |
| 2. Sustainable growth: natural resources | 59 489 | 55 748 | 885 | 1 432 | 58 066 | 97.61 % | 20 | 410 | 942 | 1 372 | 2.31 % | 35 | 17 | – | 51 | 0.09 % |
| of which: Market related expenditure and direct payments | 46 304 | 42 995 | 868 | 1 077 | 44 940 | 97.05 % | 14 | 410 | 896 | 1 320 | 2.85 % | 28 | 16 | – | 44 | 0.10 % |
| 3. Security and citizenship | 2 055 | 1 951 | 7 | 60 | 2 019 | 98.22 % | 9 | – | 23 | 32 | 1.58 % | 3 | 1 | 0 | 4 | 0.20 % |
| 4. Global Europe | 8 228 | 7 611 | 37 | 237 | 7 884 | 95.82 % | 33 | – | 297 | 330 | 4.02 % | 8 | 5 | – | 13 | 0.16 % |
| 5. Administration of which: Administrative expenditure of the institutions | 10 185 | 7 871 | 680 | 427 | 8 978 | 88.14 % | 704 | 2 | 255 | 961 | 9.44 % | 82 | 165 | – | 246 | 2.42 % |
| | 4 543 | 3 129 | 408 | 254 | 3 791 | 83.43 % | 456 | 2 | 80 | 537 | 11.83 % | 80 | 135 | – | 215 | 4.74 % |
| 6. Compensations | – | – | – | – | – | 0.00 % | – | – | – | – | 0.00 % | – | – | – | – | 0.00 % |
| 8. Negative reserve | – | – | – | – | – | 0.00 % | 0 | – | – | – | 0.00 % | – | – | – | – | 0.00 % |
| 9. Special Instruments | 322 | 217 | 36 | 35 | 288 | 89.41 % | 1 | – | 33 | 34 | 10.51 % | 0 | 0 | – | 0 | 0.08 % |
| Total | 150 595 | 139 827 | 1 759 | 3 657 | 145 243 | 96.45 % | 886 | 413 | 3 695 | 4 994 | 3.32 % | 154 | 202 | 2 | 358 | 0.24 % |

5.4. MFF: MOVEMENTS IN COMMITMENTS OUTSTANDING (RAL)

EUR millions

| MFF Heading | | Commitments outstanding at the end of previous year | | | | Commitments of the year | | | Total commitments outstanding at the end of the year |
|--------------|---|---|--|-----------------|-------------------------------------|----------------------------------|-----------------|--|--|
| | | Commitments carried forward from previous year | Decommitments/ Revaluations/ Cancellations | Payments | Commitments outstanding at year-end | Commitments made during the year | Payments | Cancellation of commitments which cannot be carried over | |
| 1. | Smart and inclusive growth | 143 009 | (2 320) | (57 944) | 82 746 | 88 151 | (10 066) | (4) | 160 827 |
| | <i>1a: Competitiveness for growth and jobs</i> | 33 532 | (1 177) | (10 967) | 21 389 | 18 905 | (5 835) | (4) | 34 455 |
| | <i>1b: Economic, social and territorial cohesion</i> | 109 477 | (1 143) | (46 977) | 61 357 | 69 246 | (4 230) | (0) | 126 372 |
| 2. | Sustainable growth: natural resources | 19 382 | (500) | (8 803) | 10 079 | 67 375 | (49 263) | (0) | 28 191 |
| | <i>of which: Market related expenditure and direct payments</i> | 43 | (2) | (30) | 11 | 44 948 | (44 910) | – | 49 |
| 3. | Security and citizenship | 2 582 | (252) | (864) | 1 466 | 2 826 | (1 155) | – | 3 137 |
| 4. | Global Europe | 23 846 | (685) | (5 934) | 17 227 | 9 397 | (1 951) | (0) | 24 673 |
| 5. | Administration | 781 | (97) | (683) | 1 | 9 154 | (8 294) | 5 | 865 |
| | <i>of which: Administrative expenditure of the institutions</i> | 469 | (67) | (401) | 0 | 3 954 | (3 389) | 5 | 570 |
| 6. | Compensations | – | – | – | – | – | – | – | – |
| 8. | Negative reserve | – | – | – | – | – | – | – | – |
| 9. | Special Instruments | 0 | (0) | (0) | – | 288 | (288) | – | 1 |
| Total | | 189 600 | (3 855) | (74 227) | 111 518 | 177 190 | (71 016) | – | 217 692 |

5.5. MFF: BREAKDOWN OF COMMITMENTS OUTSTANDING BY YEAR OF ORIGIN

| | | EUR millions | | | | | | | |
|--|--------------|--------------|--------------|--------------|---------------|---------------|---------------|----------------|----------------|
| MFF Heading | < 2009 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
| 1. Smart and inclusive growth | 1 949 | 710 | 1 446 | 2 995 | 11 077 | 35 400 | 29 168 | 78 081 | 160 827 |
| 1a: Competitiveness for growth and jobs | 295 | 672 | 1 209 | 1 541 | 3 885 | 5 942 | 7 844 | 13 066 | 34 455 |
| 1b: Economic, social and territorial cohesion | 1 653 | 38 | 237 | 1 455 | 7 191 | 29 459 | 21 324 | 65 015 | 126 372 |
| 2. Sustainable growth: natural resources | 223 | 62 | 82 | 127 | 213 | 7 231 | 2 140 | 18 112 | 28 191 |
| of which: Market related expenditure and direct payments | – | – | – | 0 | 3 | – | 8 | 38 | 49 |
| 3. Security and citizenship | 21 | 39 | 62 | 136 | 277 | 580 | 350 | 1 671 | 3 137 |
| 4. Global Europe | 938 | 522 | 883 | 1 412 | 3 364 | 4 719 | 5 390 | 7 446 | 24 673 |
| 5. Administration | – | – | – | – | – | 0 | 0 | 864 | 865 |
| of which: Administrative expenditure of the institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 570 | 570 |
| 9. Special Instruments | – | – | – | – | – | – | – | 1 | 1 |
| Total | 3 130 | 1 333 | 2 473 | 4 671 | 14 931 | 47 931 | 37 049 | 106 175 | 217 692 |

5.6. POLICY AREA: BREAKDOWN AND CHANGES IN COMMITMENT AND PAYMENT APPROPRIATIONS

EUR millions

| | | Commitment appropriations | | | | | | Payment appropriations | | | | | |
|-------------|---|---------------------------|------------------------------|----------------------|---------------------------|------------------|--------------------------------|------------------------|------------------------------|----------------------|---------------------------|------------------|--------------------------------|
| | | Budget appropriations | | | Additional appropriations | | Total appropriations available | Budget appropriations | | | Additional appropriations | | Total appropriations available |
| Policy area | | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Carried over | Assigned revenue | | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Carried over | Assigned revenue | |
| | | 1 | 2 | 3=1+2 | 4 | 5 | 6=3+4+5 | 7 | 8 | 9=7+8 | 10 | 11 | 12=9+10+11 |
| 01 | Economic and financial affairs | 371 | 1 281 | 1 652 | – | 118 | 1 770 | 459 | (43) | 416 | 7 | 121 | 544 |
| 02 | Enterprise and industry | 2 536 | (19) | 2 517 | – | 298 | 2 815 | 2 266 | (120) | 2 147 | 19 | 369 | 2 534 |
| 03 | Competition | 98 | (1) | 97 | – | 6 | 103 | 98 | (1) | 97 | 7 | 6 | 110 |
| 04 | Employment, social affairs and inclusion | 13 096 | 2 817 | 15 913 | 2 161 | 83 | 18 157 | 10 929 | (305) | 10 625 | 51 | 175 | 10 850 |
| 05 | Agriculture and rural development | 57 603 | 4 347 | 61 951 | 2 912 | 2 382 | 67 245 | 54 942 | 298 | 55 240 | 892 | 2 376 | 58 508 |
| 06 | Mobility and transport | 3 281 | (699) | 2 582 | – | 178 | 2 760 | 2 056 | (96) | 1 960 | 5 | 174 | 2 139 |
| 07 | Environment | 431 | 0 | 432 | – | 17 | 448 | 397 | (3) | 395 | 16 | 14 | 425 |
| 08 | Research and innovation | 6 699 | (501) | 6 198 | – | 769 | 6 967 | 5 987 | (144) | 5 843 | 23 | 1 223 | 7 089 |
| 09 | Communications networks, content and technology | 1 727 | 0 | 1 728 | – | 169 | 1 897 | 1 727 | 21 | 1 748 | 16 | 254 | 2 018 |
| 10 | Direct research | 404 | (11) | 393 | – | 551 | 944 | 402 | (5) | 397 | 44 | 492 | 933 |
| 11 | Maritime affairs and fisheries | 1 082 | 724 | 1 806 | 29 | 31 | 1 866 | 1 007 | (49) | 958 | 3 | 14 | 975 |
| 12 | Internal market and services | 119 | (3) | 116 | – | 12 | 128 | 115 | (4) | 111 | 4 | 12 | 127 |
| 13 | Regional and urban policy | 35 347 | 8 393 | 43 739 | 6 481 | 422 | 50 642 | 40 721 | 131 | 40 851 | 11 | 267 | 41 130 |
| 14 | Taxation and customs union | 161 | (0) | 161 | – | 9 | 170 | 137 | 13 | 151 | 5 | 8 | 163 |
| 15 | Education and culture | 2 918 | (26) | 2 892 | – | 447 | 3 339 | 2 661 | 164 | 2 825 | 14 | 610 | 3 450 |
| 16 | Communication | 245 | 2 | 247 | – | 12 | 259 | 240 | 5 | 244 | 12 | 12 | 269 |
| 17 | Health and consumer protection | 616 | (14) | 601 | 7 | 24 | 632 | 567 | (31) | 536 | 10 | 25 | 572 |
| 18 | Home affairs | 1 172 | 389 | 1 560 | 247 | 53 | 1 860 | 972 | 161 | 1 133 | 3 | 41 | 1 178 |
| 19 | Foreign policy instruments | 759 | (51) | 708 | 15 | 51 | 774 | 578 | (22) | 556 | 10 | 47 | 612 |
| 20 | Trade | 115 | (1) | 114 | 0 | 3 | 117 | 124 | (10) | 114 | 3 | 3 | 121 |
| 21 | Development and cooperation | 5 023 | 391 | 5 414 | 7 | 281 | 5 702 | 4 308 | 74 | 4 382 | 26 | 212 | 4 620 |
| 22 | Enlargement | 1 524 | 1 | 1 525 | 40 | 15 | 1 580 | 976 | (13) | 963 | 5 | 11 | 980 |
| 23 | Humanitarian aid and civil protection | 1 019 | 164 | 1 183 | 199 | 173 | 1 555 | 999 | 277 | 1 275 | 10 | 140 | 1 426 |
| 24 | Fight against fraud | 80 | (0) | 79 | – | 1 | 80 | 76 | (0) | 76 | 7 | 1 | 83 |

EUR millions

EUR millions

| Policy area | | Commitment appropriations | | | | | | Payment appropriations | | | | | |
|-------------|---|---------------------------|------------------------------|----------------------|---------------------------|------------------|--------------------------------|------------------------|------------------------------|----------------------|---------------------------|------------------|--------------------------------|
| | | Budget appropriations | | | Additional appropriations | | Total appropriations available | Budget appropriations | | | Additional appropriations | | Total appropriations available |
| | | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Carried over | Assigned revenue | | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Carried over | Assigned revenue | |
| | | | | | | | | | | | | | |
| 1 | 2 | 3=1+2 | 4 | 5 | 6=3+4+5 | 7 | 8 | 9=7+8 | 10 | 11 | 12=9+10+11 | | |
| 25 | Commission's policy coordination and legal advice | 192 | 1 | 192 | – | 11 | 204 | 192 | 1 | 192 | 14 | 11 | 218 |
| 26 | Commission's administration | 997 | 16 | 1 013 | – | 162 | 1 176 | 992 | 19 | 1 011 | 158 | 166 | 1 335 |
| 27 | Budget | 70 | (14) | 57 | – | 8 | 64 | 70 | (14) | 57 | 7 | 8 | 71 |
| 28 | Audit | 12 | 0 | 12 | – | 1 | 13 | 12 | 0 | 12 | 0 | 1 | 13 |
| 29 | Statistics | 134 | 1 | 135 | – | 14 | 149 | 116 | 1 | 117 | 5 | 22 | 144 |
| 30 | Pensions and related expenditure | 1 567 | (4) | 1 563 | – | 0 | 1 563 | 1 567 | (4) | 1 563 | – | 0 | 1 563 |
| 31 | Language services | 389 | (5) | 384 | – | 70 | 454 | 389 | (5) | 384 | 18 | 70 | 471 |
| 32 | Energy | 1 064 | (100) | 964 | – | 114 | 1 078 | 1 035 | (43) | 992 | 6 | 125 | 1 123 |
| 33 | Justice | 209 | 2 | 211 | – | 9 | 220 | 195 | (20) | 175 | 3 | 10 | 188 |
| 34 | Climate action | 127 | 0 | 128 | – | 1 | 129 | 84 | (18) | 66 | 3 | 1 | 70 |
| 40 | Reserves | 465 | (127) | 338 | – | – | 338 | 150 | (150) | – | – | – | – |
| 90 | Other institutions | 3 667 | (0) | 3 667 | 93 | 327 | 4 087 | 3 667 | (0) | 3 667 | 543 | 334 | 4 543 |
| Total | | 145 322 | 16 952 | 162 273 | 12 191 | 6 822 | 181 286 | 141 214 | 66 | 141 280 | 1 960 | 7 354 | 150 595 |

5.6.1. POLICY AREA: COMPARISON OF BUDGET AND ACTUAL COMMITMENTS

EUR millions

| | Policy area | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Additional appropriations* | Total appropriations available | Commitments made |
|--------------|---|------------------------|------------------------------|----------------------|----------------------------|--------------------------------|------------------|
| 01 | Economic and financial affairs | 371 | 1 281 | 1 652 | 118 | 1 770 | 1 654 |
| 02 | Enterprise and industry | 2 536 | (19) | 2 517 | 298 | 2 815 | 2 704 |
| 03 | Competition | 98 | (1) | 97 | 6 | 103 | 100 |
| 04 | Employment, social affairs and inclusion | 13 096 | 2 817 | 15 913 | 2 244 | 18 157 | 18 069 |
| 05 | Agriculture and rural development | 57 603 | 4 347 | 61 951 | 5 294 | 67 245 | 65 492 |
| 06 | Mobility and transport | 3 281 | (699) | 2 582 | 178 | 2 760 | 2 683 |
| 07 | Environment | 431 | 0 | 432 | 17 | 448 | 443 |
| 08 | Research and innovation | 6 699 | (501) | 6 198 | 769 | 6 967 | 6 674 |
| 09 | Communications networks, content and technology | 1 727 | 0 | 1 728 | 169 | 1 897 | 1 833 |
| 10 | Direct research | 404 | (11) | 393 | 551 | 944 | 504 |
| 11 | Maritime affairs and fisheries | 1 082 | 724 | 1 806 | 60 | 1 866 | 1 834 |
| 12 | Internal market and services | 119 | (3) | 116 | 12 | 128 | 126 |
| 13 | Regional and urban policy | 35 347 | 8 393 | 43 739 | 6 903 | 50 642 | 50 599 |
| 14 | Taxation and customs union | 161 | (0) | 161 | 9 | 170 | 165 |
| 15 | Education and culture | 2 918 | (26) | 2 892 | 447 | 3 339 | 3 249 |
| 16 | Communication | 245 | 2 | 247 | 12 | 259 | 253 |
| 17 | Health and consumer protection | 616 | (14) | 601 | 30 | 632 | 622 |
| 18 | Home affairs | 1 172 | 389 | 1 560 | 300 | 1 860 | 1 837 |
| 19 | Foreign policy instruments | 759 | (51) | 708 | 66 | 774 | 706 |
| 20 | Trade | 115 | (1) | 114 | 3 | 117 | 116 |
| 21 | Development and cooperation | 5 023 | 391 | 5 414 | 288 | 5 702 | 5 596 |
| 22 | Enlargement | 1 524 | 1 | 1 525 | 55 | 1 580 | 1 573 |
| 23 | Humanitarian aid and civil protection | 1 019 | 164 | 1 183 | 372 | 1 555 | 1 484 |
| 24 | Fight against fraud | 80 | (0) | 79 | 1 | 80 | 79 |
| 25 | Commission's policy coordination and legal advice | 192 | 1 | 192 | 11 | 204 | 199 |
| 26 | Commission's administration | 997 | 16 | 1 013 | 162 | 1 176 | 1 121 |
| 27 | Budget | 70 | (14) | 57 | 8 | 64 | 60 |
| 28 | Audit | 12 | 0 | 12 | 1 | 13 | 12 |
| 29 | Statistics | 134 | 1 | 135 | 14 | 149 | 141 |
| 30 | Pensions and related expenditure | 1 567 | (4) | 1 563 | 0 | 1 563 | 1 563 |
| 31 | Language services | 389 | (5) | 384 | 70 | 454 | 425 |
| 32 | Energy | 1 064 | (100) | 964 | 114 | 1 078 | 980 |
| 33 | Justice | 209 | 2 | 211 | 9 | 220 | 212 |
| 34 | Climate action | 127 | 0 | 128 | 1 | 129 | 128 |
| 40 | Reserves | 465 | (127) | 338 | – | 338 | – |
| 90 | Other institutions | 3 667 | (0) | 3 667 | 420 | 4 087 | 3 954 |
| Total | | 145 322 | 16 952 | 162 273 | 19 013 | 181 286 | 177 190 |

* Additional appropriations include appropriations carried over from previous year, assigned revenue and appropriations made available again following decommitments.

5.7. POLICY AREA: IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

EUR millions

| | Policy area | Total appropriations available | Commitments made | | | Total | % | Appropriations carried over to 2016 | | | | Appropriations lapsing | | | | |
|----|---|--------------------------------|---------------------------|------------------|-----------------------|---------|---------|-------------------------------------|-------------------------|-------|---------|---------------------------|------------------|-------------------------|-------------|---------|
| | | | from final adopted budget | from carry-overs | from assigned revenue | | | assigned revenue | carry-overs by decision | Total | % | from final adopted budget | from carry-overs | Assigned revenue (EFTA) | Total | % |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10=9/1 | 11 | 12 | 13 | 14=11+12+13 | 15=14/1 |
| 01 | Economic and financial affairs | 1 770 | 1 651 | – | 3 | 1 654 | 93.42 % | 115 | – | 115 | 6.51 % | 1 | – | – | 1 | 0.06 % |
| 02 | Enterprise and industry | 2 815 | 2 521 | – | 184 | 2 704 | 96.07 % | 110 | – | 110 | 3.91 % | (4) | – | 5 | 1 | 0.02 % |
| 03 | Competition | 103 | 97 | – | 3 | 100 | 97.52 % | 3 | – | 3 | 2.46 % | 0 | – | – | 0 | 0.02 % |
| 04 | Employment, social affairs and inclusion | 18 157 | 15 902 | 2 161 | 6 | 18 069 | 99.51 % | 77 | – | 77 | 0.42 % | 12 | – | – | 12 | 0.06 % |
| 05 | Agriculture and rural development | 67 245 | 61 508 | 2 898 | 1 086 | 65 492 | 97.39 % | 1 296 | 410 | 1 705 | 2.54 % | 33 | 14 | – | 47 | 0.07 % |
| 06 | Mobility and transport | 2 760 | 2 579 | – | 104 | 2 683 | 97.22 % | 74 | – | 74 | 2.67 % | 3 | – | – | 3 | 0.11 % |
| 07 | Environment | 448 | 431 | – | 12 | 443 | 98.81 % | 5 | – | 5 | 1.04 % | 1 | – | – | 1 | 0.14 % |
| 08 | Research and innovation | 6 967 | 6 197 | – | 477 | 6 674 | 95.79 % | 292 | – | 292 | 4.19 % | 1 | – | – | 1 | 0.02 % |
| 09 | Communications networks, content and technology | 1 897 | 1 728 | – | 105 | 1 833 | 96.63 % | 64 | – | 64 | 3.37 % | 0 | – | – | 0 | 0.00 % |
| 10 | Direct research | 944 | 393 | – | 111 | 504 | 53.44 % | 439 | – | 439 | 46.56 % | 0 | – | – | 0 | 0.00 % |
| 11 | Maritime affairs and fisheries | 1 866 | 1 803 | 29 | 2 | 1 834 | 98.32 % | 29 | 0 | 29 | 1.56 % | 2 | – | – | 2 | 0.12 % |
| 12 | Internal market and services | 128 | 116 | – | 10 | 126 | 98.15 % | 2 | – | 2 | 1.77 % | 0 | – | – | 0 | 0.08 % |
| 13 | Regional and urban policy | 50 642 | 43 725 | 6 481 | 393 | 50 599 | 99.91 % | 29 | – | 29 | 0.06 % | 14 | – | – | 14 | 0.03 % |
| 14 | Taxation and customs union | 170 | 161 | – | 4 | 165 | 96.71 % | 5 | 0 | 5 | 3.17 % | 0 | – | – | 0 | 0.13 % |
| 15 | Education and culture | 3 339 | 2 891 | – | 358 | 3 249 | 97.31 % | 89 | – | 89 | 2.67 % | 1 | – | – | 1 | 0.02 % |
| 16 | Communication | 259 | 246 | – | 7 | 253 | 97.89 % | 5 | – | 5 | 1.99 % | 0 | – | – | 0 | 0.12 % |
| 17 | Health and consumer protection | 632 | 601 | 7 | 15 | 622 | 98.52 % | 9 | – | 9 | 1.44 % | 0 | – | 0 | 0 | 0.05 % |
| 18 | Home affairs | 1 860 | 1 559 | 247 | 31 | 1 837 | 98.74 % | 22 | – | 22 | 1.20 % | 1 | 0 | – | 1 | 0.05 % |
| 19 | Foreign policy instruments | 774 | 663 | 15 | 28 | 706 | 91.12 % | 23 | 17 | 40 | 5.18 % | 28 | 0 | – | 29 | 3.70 % |
| 20 | Trade | 117 | 114 | – | 2 | 116 | 98.46 % | 2 | – | 2 | 1.30 % | 0 | 0 | – | 0 | 0.24 % |
| 21 | Development and cooperation | 5 702 | 5 406 | 7 | 183 | 5 596 | 98.15 % | 98 | 7 | 105 | 1.85 % | 0 | – | – | 0 | 0.01 % |
| 22 | Enlargement | 1 580 | 1 524 | 40 | 9 | 1 573 | 99.56 % | 6 | – | 6 | 0.37 % | 1 | – | – | 1 | 0.07 % |
| 23 | Humanitarian aid and civil protection | 1 555 | 1 182 | 199 | 103 | 1 484 | 95.39 % | 70 | – | 70 | 4.51 % | 2 | – | – | 2 | 0.11 % |
| 24 | Fight against fraud | 80 | 79 | – | 0 | 79 | 98.44 % | 1 | – | 1 | 1.18 % | 0 | – | – | 0 | 0.37 % |
| 25 | Commission's policy coordination and legal advice | 204 | 192 | – | 6 | 199 | 97.32 % | 5 | 0 | 5 | 2.61 % | 0 | – | – | 0 | 0.07 % |
| 26 | Commission's administration | 1 176 | 1 013 | – | 107 | 1 121 | 95.30 % | 55 | – | 55 | 4.68 % | 0 | – | – | 0 | 0.02 % |
| 27 | Budget | 64 | 57 | – | 4 | 60 | 94.03 % | 4 | – | 4 | 5.85 % | 0 | – | – | 0 | 0.12 % |
| 28 | Audit | 13 | 12 | – | 0 | 12 | 96.96 % | 0 | – | 0 | 3.00 % | 0 | – | – | 0 | 0.05 % |
| 29 | Statistics | 149 | 135 | – | 6 | 141 | 94.86 % | 7 | – | 7 | 4.92 % | 0 | – | 0 | 0 | 0.22 % |

Annual accounts of the European Union 2015

EUR millions

| Policy area | Total appropriations available | Commitments made | | | Total | % | Appropriations carried over to 2016 | | | | Total | % | Appropriations lapsing | | | |
|-------------------------------------|--------------------------------|---------------------------|------------------|-----------------------|----------------|----------------|-------------------------------------|-------------------------|--------------|---------------|------------|-----------|---------------------------|------------------|-------------------------|-------|
| | | from final adopted budget | from carry-overs | from assigned revenue | | | assigned revenue | carry-overs by decision | | | | | from final adopted budget | from carry-overs | Assigned revenue (EFTA) | Total |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10=9/1 | 11 | 12 | 13 | 14=11+12+13 | 15=14/1 | |
| 30 Pensions and related expenditure | 1 563 | 1 563 | – | 0 | 1 563 | 99.99 % | 0 | – | 0 | 0.01 % | 0 | – | – | 0 | 0.00 % | |
| 31 Language services | 454 | 384 | – | 40 | 425 | 93.55 % | 29 | – | 29 | 6.43 % | 0 | – | – | 0 | 0.02 % | |
| 32 Energy | 1 078 | 961 | – | 19 | 980 | 90.96 % | 95 | – | 95 | 8.78 % | 3 | – | – | 3 | 0.27 % | |
| 33 Justice | 220 | 210 | – | 2 | 212 | 96.29 % | 7 | – | 7 | 3.36 % | 1 | – | 0 | 1 | 0.36 % | |
| 34 Climate action | 129 | 128 | – | 1 | 128 | 99.57 % | 0 | – | 0 | 0.34 % | 0 | – | – | 0 | 0.09 % | |
| 40 Reserves | 338 | – | – | – | – | 0.00 % | – | 219 | 219 | 64.84 % | 119 | – | – | 119 | 35.16 % | |
| 90 Other institutions | 4 087 | 3 585 | 92 | 276 | 3 954 | 96.74 % | 51 | 2 | 53 | 1.29 % | 80 | 1 | 0 | 81 | 1.97 % | |
| Total | 181 286 | 161 317 | 12 175 | 3 698 | 177 190 | 97.74 % | 3 119 | 656 | 3 775 | 2.08 % | 301 | 15 | 5 | 321 | 0.18 % | |

5.7.1. POLICY AREA: COMPARISON OF BUDGET AND ACTUAL PAYMENTS

EUR millions

| | Policy area | Initial adopted budget | Amending budgets & transfers | Final adopted budget | Additional appropriations* | Total appropriations available | Payments made |
|--------------|---|------------------------|------------------------------|----------------------|----------------------------|--------------------------------|----------------|
| 01 | Economic and financial affairs | 459 | (43) | 416 | 128 | 544 | 424 |
| 02 | Enterprise and industry | 2 266 | (120) | 2 147 | 388 | 2 534 | 2 234 |
| 03 | Competition | 98 | (1) | 97 | 13 | 110 | 98 |
| 04 | Employment, social affairs and inclusion | 10 929 | (305) | 10 625 | 226 | 10 850 | 10 711 |
| 05 | Agriculture and rural development | 54 942 | 298 | 55 240 | 3 267 | 58 508 | 57 093 |
| 06 | Mobility and transport | 2 056 | (96) | 1 960 | 179 | 2 139 | 2 055 |
| 07 | Environment | 397 | (3) | 395 | 30 | 425 | 416 |
| 08 | Research and innovation | 5 987 | (144) | 5 843 | 1 246 | 7 089 | 6 229 |
| 09 | Communications networks, content and technology | 1 727 | 21 | 1 748 | 270 | 2 018 | 1 855 |
| 10 | Direct research | 402 | (5) | 397 | 536 | 933 | 517 |
| 11 | Maritime affairs and fisheries | 1 007 | (49) | 958 | 17 | 975 | 960 |
| 12 | Internal market and services | 115 | (4) | 111 | 16 | 127 | 121 |
| 13 | Regional and urban policy | 40 721 | 131 | 40 851 | 278 | 41 130 | 41 078 |
| 14 | Taxation and customs union | 137 | 13 | 151 | 12 | 163 | 154 |
| 15 | Education and culture | 2 661 | 164 | 2 825 | 624 | 3 450 | 3 176 |
| 16 | Communication | 240 | 5 | 244 | 25 | 269 | 250 |
| 17 | Health and consumer protection | 567 | (31) | 536 | 35 | 572 | 552 |
| 18 | Home affairs | 972 | 161 | 1 133 | 45 | 1 178 | 1 163 |
| 19 | Foreign policy instruments | 578 | (22) | 556 | 56 | 612 | 589 |
| 20 | Trade | 124 | (10) | 114 | 6 | 121 | 116 |
| 21 | Development and cooperation | 4 308 | 74 | 4 382 | 238 | 4 620 | 4 523 |
| 22 | Enlargement | 976 | (13) | 963 | 17 | 980 | 962 |
| 23 | Humanitarian aid and civil protection | 999 | 277 | 1 275 | 150 | 1 426 | 1 325 |
| 24 | Fight against fraud | 76 | (0) | 76 | 8 | 83 | 74 |
| 25 | Commission's policy coordination and legal advice | 192 | 1 | 192 | 25 | 218 | 195 |
| 26 | Commission's administration | 992 | 19 | 1 011 | 324 | 1 335 | 1 120 |
| 27 | Budget | 70 | (14) | 57 | 15 | 71 | 60 |
| 28 | Audit | 12 | 0 | 12 | 1 | 13 | 12 |
| 29 | Statistics | 116 | 1 | 117 | 27 | 144 | 125 |
| 30 | Pensions and related expenditure | 1 567 | (4) | 1 563 | 0 | 1 563 | 1 563 |
| 31 | Language services | 389 | (5) | 384 | 87 | 471 | 424 |
| 32 | Energy | 1 035 | (43) | 992 | 130 | 1 123 | 1 035 |
| 33 | Justice | 195 | (20) | 175 | 13 | 188 | 179 |
| 34 | Climate action | 84 | (18) | 66 | 4 | 70 | 64 |
| 40 | Reserves | 150 | (150) | – | – | – | – |
| 90 | Other institutions | 3 667 | (0) | 3 667 | 877 | 4 543 | 3 791 |
| Total | | 141 214 | 66 | 141 280 | 9 314 | 150 595 | 145 243 |

* Additional appropriations include appropriations carried over from previous year, assigned revenue and appropriations made available again following decommitments.

5.8. POLICY AREA: IMPLEMENTATION OF PAYMENT APPROPRIATIONS

EUR millions

| Policy area | | Payments made | | | | | | | Appropriations carried over to 2016 | | | | | Appropriations lapsing | | | | |
|-------------|---|-------------------------------------|---------------------------|------------------|-----------------------|---------|---------|-----------------------|-------------------------------------|------------------|----------|---------|---------------------------|------------------------|-------------------------|-------------|---------|--|
| | | Total appropriations available 1 | from final adopted budget | from carry-overs | from assigned revenue | Total | % | automatic carry-overs | carry-overs by decision | assigned revenue | Total | % | from final adopted budget | from carry-overs | assigned revenue (EFTA) | Total | % | |
| | | | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9 | 10=7+8+9 | 11=10/1 | 12 | 13 | 14 | 15=12+13+14 | 16=15/1 | |
| 01 | Economic and financial affairs | 544 | 410 | 6 | 8 | 424 | 77.95 % | 6 | – | 113 | 119 | 21.81 % | 0 | 1 | – | 1 | 0.24 % | |
| 02 | Enterprise and industry | 2 534 | 2 130 | 17 | 87 | 2 234 | 88.13 % | 15 | – | 282 | 296 | 11.69 % | 2 | 2 | 0 | 4 | 0.17 % | |
| 03 | Competition | 110 | 88 | 7 | 3 | 98 | 89.16 % | 8 | – | 3 | 11 | 10.31 % | 0 | 1 | – | 1 | 0.53 % | |
| 04 | Employment, social affairs and inclusion | 10 850 | 10 602 | 47 | 61 | 10 711 | 98.72 % | 13 | – | 113 | 126 | 1.16 % | 9 | 4 | – | 13 | 0.12 % | |
| 05 | Agriculture and rural development | 58 508 | 54 778 | 875 | 1 440 | 57 093 | 97.58 % | 21 | 410 | 936 | 1 366 | 2.34 % | 32 | 17 | – | 48 | 0.08 % | |
| 06 | Mobility and transport | 2 139 | 1 947 | 4 | 104 | 2 055 | 96.05 % | 4 | – | 69 | 73 | 3.42 % | 9 | 1 | 1 | 11 | 0.53 % | |
| 07 | Environment | 425 | 390 | 15 | 11 | 416 | 97.99 % | 4 | – | 3 | 7 | 1.56 % | 1 | 1 | – | 2 | 0.46 % | |
| 08 | Research and innovation | 7 089 | 5 811 | 21 | 397 | 6 229 | 87.86 % | 30 | – | 826 | 856 | 12.08 % | 2 | 2 | – | 4 | 0.06 % | |
| 09 | Communications networks, content and technology | 2 018 | 1 736 | 15 | 104 | 1 855 | 91.91 % | 10 | – | 151 | 161 | 7.98 % | 1 | 1 | – | 2 | 0.11 % | |
| 10 | Direct research | 933 | 357 | 39 | 121 | 517 | 55.46 % | 39 | – | 371 | 411 | 44.03 % | 0 | 5 | – | 5 | 0.51 % | |
| 11 | Maritime affairs and fisheries | 975 | 955 | 2 | 2 | 960 | 98.39 % | 3 | – | 12 | 15 | 1.52 % | 1 | 0 | – | 1 | 0.09 % | |
| 12 | Internal market and services | 127 | 107 | 3 | 10 | 121 | 94.97 % | 3 | – | 2 | 6 | 4.64 % | 0 | 0 | – | 1 | 0.40 % | |
| 13 | Regional and urban policy | 41 130 | 40 840 | 10 | 228 | 41 078 | 99.87 % | 11 | – | 39 | 50 | 0.12 % | 0 | 1 | – | 2 | 0.00 % | |
| 14 | Taxation and customs union | 163 | 146 | 4 | 4 | 154 | 94.87 % | 5 | – | 3 | 8 | 5.02 % | 0 | 0 | – | 0 | 0.12 % | |
| 15 | Education and culture | 3 450 | 2 812 | 13 | 351 | 3 176 | 92.07 % | 13 | – | 259 | 272 | 7.89 % | 0 | 1 | – | 1 | 0.03 % | |
| 16 | Communication | 269 | 233 | 11 | 6 | 250 | 92.97 % | 11 | – | 6 | 17 | 6.42 % | 0 | 1 | – | 2 | 0.61 % | |
| 17 | Health and consumer protection | 572 | 526 | 9 | 16 | 552 | 96.48 % | 9 | – | 9 | 19 | 3.24 % | 1 | 1 | 0 | 2 | 0.28 % | |
| 18 | Home affairs | 1 178 | 1 127 | 3 | 33 | 1 163 | 98.77 % | 5 | – | 8 | 13 | 1.11 % | 1 | 0 | – | 1 | 0.12 % | |
| 19 | Foreign policy instruments | 612 | 551 | 9 | 29 | 589 | 96.24 % | 3 | – | 18 | 21 | 3.43 % | 2 | 0 | – | 2 | 0.32 % | |
| 20 | Trade | 121 | 112 | 3 | 2 | 116 | 96.43 % | 2 | – | 2 | 4 | 3.31 % | 0 | 0 | – | 0 | 0.26 % | |
| 21 | Development and cooperation | 4 620 | 4 357 | 22 | 143 | 4 523 | 97.89 % | 24 | – | 69 | 93 | 2.02 % | 0 | 4 | – | 4 | 0.09 % | |
| 22 | Enlargement | 980 | 951 | 4 | 7 | 962 | 98.19 % | 6 | – | 4 | 10 | 1.07 % | 6 | 1 | – | 7 | 0.74 % | |
| 23 | Humanitarian aid and civil protection | 1 426 | 1 268 | 9 | 47 | 1 325 | 92.94 % | 6 | – | 93 | 100 | 6.98 % | 1 | 0 | – | 1 | 0.08 % | |
| 24 | Fight against fraud | 83 | 68 | 5 | 1 | 74 | 88.81 % | 6 | 2 | 0 | 7 | 8.94 % | 0 | 1 | – | 2 | 2.25 % | |
| 25 | Commission's policy coordination and legal advice | 218 | 178 | 12 | 6 | 195 | 89.85 % | 14 | 0 | 6 | 20 | 9.31 % | 0 | 2 | – | 2 | 0.84 % | |
| 26 | Commission's administration | 1 335 | 893 | 144 | 83 | 1 120 | 83.88 % | 118 | – | 83 | 200 | 15.01 % | 0 | 15 | – | 15 | 1.11 % | |
| 27 | Budget | 71 | 50 | 7 | 3 | 60 | 83.84 % | 7 | – | 5 | 11 | 15.52 % | 0 | 0 | – | 0 | 0.64 % | |
| 28 | Audit | 13 | 11 | 0 | 0 | 12 | 90.64 % | 1 | – | 0 | 1 | 8.50 % | 0 | 0 | – | 0 | 0.85 % | |
| 29 | Statistics | 144 | 112 | 5 | 8 | 125 | 86.78 % | 5 | – | 14 | 18 | 12.78 % | 0 | 1 | 0 | 1 | 0.44 % | |
| 30 | Pensions and related expenditure | 1 563 | 1 563 | – | 0 | 1 563 | 99.99 % | 0 | – | 0 | 0 | 0.01 % | 0 | – | – | 0 | 0.00 % | |
| 31 | Language services | 471 | 371 | 17 | 37 | 424 | 90.04 % | 14 | – | 33 | 46 | 9.82 % | 0 | 1 | – | 1 | 0.14 % | |
| 32 | Energy | 1 123 | 985 | 5 | 45 | 1 035 | 92.22 % | 5 | – | 80 | 84 | 7.51 % | 2 | 1 | – | 3 | 0.27 % | |
| 33 | Justice | 188 | 171 | 3 | 6 | 179 | 95.52 % | 4 | – | 4 | 7 | 3.92 % | 0 | 1 | 0 | 1 | 0.56 % | |
| 34 | Climate action | 70 | 61 | 3 | 0 | 64 | 91.31 % | 4 | – | 0 | 4 | 6.02 % | 1 | 0 | – | 2 | 2.68 % | |
| 40 | Reserves | – | – | – | – | – | 0.00 % | – | – | – | – | 0.00 % | – | – | – | – | 0.00 % | |
| 90 | Other institutions | 4 543 | 3 129 | 408 | 254 | 3 791 | 83.43 % | 456 | 2 | 80 | 537 | 11.83 % | 80 | 135 | – | 215 | 4.74 % | |
| Total | | 150 595 | 139 827 | 1 759 | 3 657 | 145 243 | 96.45 % | 886 | 413 | 3 695 | 4 994 | 3.32 % | 154 | 202 | 2 | 358 | 0.24 % | |

5.9. POLICY AREA: MOVEMENTS IN COMMITMENTS OUTSTANDING

EUR millions

| Policy area | | Commitments outstanding at the end of previous year | | | | Commitments of the year | | | | Total commitments outstanding at the end of the year |
|--------------|---|---|--|-----------------|-------------------------------------|----------------------------------|-----------------|--|-------------------------------------|--|
| | | Commitments carried forward from previous year | Decommitments/ Revaluations/ Cancellations | Payments | Commitments outstanding at year-end | Commitments made during the year | Payments | Cancellation of commitments which cannot be carried over | Commitments outstanding at year-end | |
| 01 | Economic and financial affairs | 667 | (14) | (140) | 513 | 1 654 | (284) | – | 1 370 | 1 883 |
| 02 | Enterprise and industry | 2 204 | (50) | (1 219) | 935 | 2 704 | (1 015) | (2) | 1 688 | 2 623 |
| 03 | Competition | 7 | (1) | (7) | – | 100 | (91) | – | 9 | 9 |
| 04 | Employment, social affairs and inclusion | 26 124 | (215) | (9 635) | 16 274 | 18 069 | (1 076) | (0) | 16 993 | 33 266 |
| 05 | Agriculture and rural development | 17 308 | (282) | (8 054) | 8 971 | 65 492 | (49 039) | (0) | 16 453 | 25 424 |
| 06 | Mobility and transport | 5 647 | (393) | (1 642) | 3 613 | 2 683 | (413) | – | 2 270 | 5 883 |
| 07 | Environment | 1 093 | (1) | (292) | 800 | 443 | (125) | – | 318 | 1 118 |
| 08 | Research and innovation | 14 826 | (84) | (4 535) | 10 207 | 6 674 | (1 693) | (2) | 4 978 | 15 185 |
| 09 | Communications networks, content and technology | 3 305 | (36) | (1 295) | 1 975 | 1 833 | (560) | (0) | 1 273 | 3 247 |
| 10 | Direct research | 208 | (21) | (131) | 56 | 504 | (387) | (0) | 118 | 174 |
| 11 | Maritime affairs and fisheries | 1 571 | (244) | (644) | 682 | 1 834 | (315) | (0) | 1 519 | 2 201 |
| 12 | Internal market and services | 21 | (3) | (15) | 3 | 126 | (105) | – | 21 | 23 |
| 13 | Regional and urban policy | 84 237 | (1 085) | (37 414) | 45 738 | 50 599 | (3 664) | (0) | 46 935 | 92 673 |
| 14 | Taxation and customs union | 122 | (8) | (76) | 39 | 165 | (79) | – | 86 | 125 |
| 15 | Education and culture | 2 879 | (52) | (1 312) | 1 515 | 3 249 | (1 864) | (0) | 1 386 | 2 901 |
| 16 | Communication | 110 | (7) | (83) | 21 | 253 | (167) | (0) | 86 | 107 |
| 17 | Health and consumer protection | 535 | (68) | (262) | 206 | 622 | (290) | – | 333 | 538 |
| 18 | Home affairs | 1 586 | (147) | (403) | 1 036 | 1 837 | (760) | – | 1 076 | 2 113 |
| 19 | Foreign policy instruments | 862 | (73) | (333) | 456 | 706 | (256) | (0) | 449 | 905 |
| 20 | Trade | 22 | (1) | (15) | 6 | 116 | (101) | (0) | 14 | 20 |
| 21 | Development and cooperation | 16 379 | (387) | (3 772) | 12 220 | 5 596 | (751) | (0) | 4 845 | 17 066 |
| 22 | Enlargement | 3 669 | (53) | (857) | 2 759 | 1 573 | (105) | (0) | 1 468 | 4 227 |
| 23 | Humanitarian aid and civil protection | 671 | (3) | (400) | 268 | 1 484 | (925) | – | 559 | 827 |
| 24 | Fight against fraud | 31 | (5) | (18) | 8 | 79 | (56) | (0) | 23 | 31 |
| 25 | Commission's policy coordination and legal advice | 14 | (2) | (12) | – | 199 | (184) | (0) | 15 | 15 |
| 26 | Commission's administration | 201 | (17) | (171) | 13 | 1 121 | (948) | (0) | 172 | 185 |
| 27 | Budget | 7 | (0) | (7) | – | 60 | (53) | – | 7 | 7 |
| 28 | Audit | 0 | (0) | (0) | – | 12 | (12) | – | 1 | 1 |
| 29 | Statistics | 105 | (6) | (45) | 54 | 141 | (80) | (0) | 61 | 115 |
| 30 | Pensions and related expenditure | – | – | – | – | 1 563 | (1 563) | (0) | – | – |
| 31 | Language services | 18 | (1) | (17) | – | 425 | (408) | – | 17 | 17 |
| 32 | Energy | 4 416 | (509) | (914) | 2 993 | 980 | (121) | (0) | 859 | 3 853 |
| 33 | Justice | 181 | (22) | (66) | 94 | 212 | (114) | – | 99 | 193 |
| 34 | Climate action | 105 | (1) | (40) | 64 | 128 | (25) | – | 104 | 168 |
| 40 | Reserves | – | – | – | – | – | – | – | – | – |
| 90 | Other institutions | 469 | (67) | (401) | 0 | 3 954 | (3 389) | 5 | 570 | 570 |
| Total | | 189 600 | (3 855) | (74 227) | 111 518 | 177 190 | (71 016) | 0 | 106 175 | 217 692 |

5.10. POLICY AREA: BREAKDOWN OF COMMITMENTS OUTSTANDING BY YEAR OF ORIGIN

| | | EUR millions | | | | | | | | |
|-------|---|--------------|-------|-------|-------|--------|--------|--------|---------|---------|
| | | < 2009 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
| 01 | Economic and financial affairs | 14 | – | 0 | 60 | 178 | 244 | 16 | 1 370 | 1 883 |
| 02 | Enterprise and industry | 11 | 20 | 34 | 60 | 184 | 304 | 323 | 1 688 | 2 623 |
| 03 | Competition | – | – | – | – | – | – | 0 | 9 | 9 |
| 04 | Employment, social affairs and inclusion | 515 | 36 | 26 | 448 | 1 662 | 6 383 | 7 203 | 16 993 | 33 266 |
| 05 | Agriculture and rural development | 75 | 0 | – | 3 | 206 | 6 830 | 1 856 | 16 453 | 25 424 |
| 06 | Mobility and transport | 76 | 44 | 85 | 402 | 695 | 700 | 1 612 | 2 270 | 5 883 |
| 07 | Environment | 49 | 61 | 74 | 102 | 136 | 177 | 202 | 318 | 1 118 |
| 08 | Research and innovation | 70 | 87 | 283 | 584 | 2 005 | 3 160 | 4 017 | 4 978 | 15 185 |
| 09 | Communications networks, content and technology | 17 | 20 | 40 | 82 | 284 | 551 | 980 | 1 273 | 3 247 |
| 10 | Direct research | 9 | 1 | 3 | 2 | 3 | 15 | 24 | 118 | 174 |
| 11 | Maritime affairs and fisheries | 99 | – | 8 | 25 | 47 | 454 | 49 | 1 519 | 2 201 |
| 12 | Internal market and services | – | – | – | – | 0 | 0 | 3 | 21 | 23 |
| 13 | Regional and urban policy | 1 365 | 3 | 216 | 1 020 | 5 918 | 23 611 | 13 606 | 46 935 | 92 673 |
| 14 | Taxation and customs union | – | – | 0 | 1 | 2 | 4 | 31 | 86 | 125 |
| 15 | Education and culture | 56 | 32 | 43 | 109 | 199 | 461 | 615 | 1 386 | 2 901 |
| 16 | Communication | 0 | 0 | 0 | 1 | 0 | 2 | 17 | 86 | 107 |
| 17 | Health and consumer protection | 6 | 11 | 9 | 14 | 15 | 39 | 112 | 333 | 538 |
| 18 | Home affairs | 14 | 28 | 50 | 110 | 245 | 491 | 99 | 1 076 | 2 113 |
| 19 | Foreign policy instruments | 7 | 5 | 14 | 17 | 76 | 96 | 242 | 449 | 905 |
| 20 | Trade | – | – | 0 | 0 | 0 | 2 | 3 | 14 | 20 |
| 21 | Development and cooperation | 555 | 448 | 706 | 1 108 | 2 304 | 3 246 | 3 853 | 4 845 | 17 066 |
| 22 | Enlargement | 140 | 55 | 138 | 252 | 411 | 616 | 1 146 | 1 468 | 4 227 |
| 23 | Humanitarian aid and civil protection | 9 | 13 | 25 | 25 | 24 | 30 | 142 | 559 | 827 |
| 24 | Fight against fraud | 0 | 0 | – | – | 0 | 2 | 5 | 23 | 31 |
| 25 | Commission's policy coordination and legal advice | – | – | – | – | – | – | 0 | 15 | 15 |
| 26 | Commission's administration | – | – | – | 0 | – | 7 | 6 | 172 | 185 |
| 27 | Budget | – | – | – | – | – | – | – | 7 | 7 |
| 28 | Audit | – | – | – | – | – | – | – | 1 | 1 |
| 29 | Statistics | 0 | 0 | 1 | 1 | 4 | 12 | 35 | 61 | 115 |
| 30 | Pensions and related expenditure | – | – | – | – | – | – | 0 | – | – |
| 31 | Language services | – | – | – | – | – | – | 0 | 17 | 17 |
| 32 | Energy | 41 | 467 | 717 | 238 | 324 | 469 | 737 | 859 | 3 853 |
| 33 | Justice | – | 1 | 1 | 5 | 9 | 22 | 57 | 99 | 193 |
| 34 | Climate action | – | – | – | – | 1 | 3 | 60 | 104 | 168 |
| 40 | Reserves | – | – | – | – | – | – | – | – | – |
| 90 | Other institutions | – | – | – | – | – | – | – | 570 | 570 |
| Total | | 3 130 | 1 333 | 2 473 | 4 671 | 14 931 | 47 931 | 37 049 | 106 175 | 217 692 |

5.11. IMPLEMENTATION OF 2015 EXPENDITURE

2015 was the second year of the new programming period 2014-2020.

Commitments:

The initial adopted budget for all institutions excluding Special instruments was set at EUR 144 806 million.

This budget was from the outset subject to significant amendments following the low implementation of commitments in 2014, related to the late adoption of the operational programmes for the funds under shared management at the start of the new programming period. Carryover to 2015 amounted to EUR 12 billion and the re-programming of the 2014 unused commitment to EUR 16 billion.

Reinforced commitments in 2015 brought the outstanding commitments back to the level before 2014 (to EUR 217 billion). So the decrease observed in 2014 was temporary as foreseen.

In 2015 the newly created European Fund for Strategic Investments (EFSI) was added to heading 1a and provided with EUR 1 360 million (including EUR 10 million for the European Investment Advisory Hub) of commitment appropriations (reallocated from the Connecting Europe Facility, Horizon 2020 and the International Thermonuclear Experimental Reactor (ITER) programme as stipulated in amending budget 2/2015), all of which was fully committed.

Adjustments of commitments outside re-programming were mostly related to the migration and refugees flows: reinforcements to the FRONTEX agency, the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and European Neighbourhood Instrument (ENI) and Humanitarian aid for Syria and the surrounding countries.

The final adopted budget for commitments excluding Special instruments totalled EUR 161 808 million, of which EUR 161 191 million were committed (implementation rate of 99.6 %).

EUR 202 million unused appropriations and the un-mobilised reserve of EUR 119 million for European Globalisation Adjustment Fund lapsed by the end of 2015.

Payments:

The initial adopted budget, excluding Special Instruments, was set at EUR 140 862 million (an increase of 1.6 % compared to the 2014 final adopted budget). Initial payment appropriations corresponded to 1.01 % of the EU GNI. They were reinforced by EUR 66 million during the year, as new needs related to the migration and refugee crisis were mainly covered by redeployments.

The carryover from 2014 was EUR 1 960 million.

The final adopted budget came to EUR 141 280 million of which EUR 139 827 million was paid in 2015 (99 %).

In total, EUR 358 million, including EUR 0.5 million from the reserves lapsed by the end of 2015.

A more detailed analysis of budgetary adjustments, their relevant context, their justification and their impact is presented in Commission's Report on Budgetary and Financial Management 2015, Part A "Overview at budget level" and Part B dealing with each heading of the multi-annual financial framework.

6. IMPLEMENTATION OF THE INSTITUTIONS AND AGENCIES BUDGET

6.1. INSTITUTIONS: SUMMARY OF THE IMPLEMENTATION OF BUDGET REVENUE

EUR millions

| Institution | Income appropriations | | Entitlements established | | | Revenue | | | Receipts as % of budget | Outstanding |
|--|------------------------|----------------------|--------------------------|---------------|----------------|---------------------------------|------------------------------|----------------|-------------------------|--------------|
| | Initial adopted budget | Final adopted budget | Current year | Carried over | Total | On entitlements of current year | On entitlements carried over | Total | | |
| <i>European Parliament</i> | 149 | 149 | 176 | 21 | 198 | 173 | 3 | 176 | 118.49 % | 21 |
| <i>European Council and Council</i> | 57 | 57 | 73 | 4 | 77 | 71 | 3 | 74 | 129.14 % | 3 |
| <i>Commission</i> | 140 885 | 140 951 | 139 403 | 13 743 | 153 147 | 139 010 | 7 018 | 146 027 | 103.60 % | 7 119 |
| <i>Court of Justice</i> | 45 | 45 | 50 | 0 | 50 | 49 | 0 | 50 | 110.39 % | 0 |
| <i>Court of Auditors</i> | 20 | 20 | 19 | 0 | 19 | 19 | 0 | 19 | 96.20 % | 0 |
| <i>Economic and Social Committee</i> | 11 | 11 | 15 | – | 15 | 15 | 0 | 15 | 138.57 % | – |
| <i>Committee of the Regions</i> | 8 | 8 | 10 | – | 10 | 10 | 0 | 10 | 127.90 % | 0 |
| <i>Ombudsman</i> | 1 | 1 | 1 | – | 1 | 1 | 0 | 1 | 101.02 % | – |
| <i>European Data Protection Supervisor</i> | 1 | 1 | 1 | – | 1 | 1 | 0 | 1 | 102.41 % | – |
| <i>European External Action Service</i> | 38 | 38 | 251 | 0 | 251 | 250 | 0 | 250 | 661.85 % | 1 |
| Total | 141 214 | 141 280 | 139 999 | 13 768 | 153 768 | 139 599 | 7 024 | 146 624 | 103.78 % | 7 144 |

The consolidated reports on the implementation of the general budget of the EU include, as in previous years, the budget implementation of all Institutions since within the EU budget a separate budget for each Institution is established. Agencies do not have a separate budget inside the EU budget and they are partially financed by a Commission budget subsidy.

Concerning the EEAS, it should be noted that, in addition to its own budget, it also receives contributions from the Commission of EUR 138 million (2014: EUR 208 million) and the EDF of EUR 61 million (2014: EUR 56 million). These budget credits are put at the disposal of the EEAS (as assigned revenue) so as to cover primarily the costs of Commission staff working in the EU delegations, these delegations being administratively managed by the EEAS.

6.2. INSTITUTIONS: IMPLEMENTATION OF COMMITMENT AND PAYMENT APPROPRIATIONS

Commitment appropriations

| Institution | Commitments made | | | | | | Appropriations carried over to 2016 | | | | Appropriations lapsing | | | | |
|-------------------------------------|--------------------------------|---------------------------|------------------|-----------------------|----------------|----------------|-------------------------------------|-------------------------|--------------|---------------|---------------------------|------------------|-------------------------|-------------|---------------|
| | Total appropriations available | from final adopted budget | from carry-overs | from assigned revenue | Total | % | from assigned revenue | carry-overs by decision | Total | % | from final adopted budget | from carry-overs | assigned revenue (EFTA) | Total | % |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10=9/1 | 11 | 12 | 13 | 14=11+12+13 | 15=14/1 |
| European Parliament | 1 929 | 1 779 | 86 | 34 | 1 899 | 98.45 % | 14 | – | 14 | 0.72 % | 16 | – | – | 16 | 0.83 % |
| European Council and Council | 589 | 500 | 3 | 25 | 528 | 89.53 % | 20 | – | 20 | 3.36 % | 42 | 0 | – | 42 | 7.10 % |
| Commission | 177 199 | 157 732 | 12 083 | 3 422 | 173 236 | 97.76 % | 3 068 | 654 | 3 723 | 2.10 % | 221 | 15 | 5 | 240 | 0.14 % |
| Court of Justice | 359 | 354 | – | 1 | 355 | 98.83 % | 1 | – | 1 | 0.23 % | 3 | – | – | 3 | 0.94 % |
| Court of Auditors | 133 | 131 | – | 0 | 131 | 98.62 % | 0 | – | 0 | 0.06 % | 2 | – | – | 2 | 1.32 % |
| Economic and Social Committee | 134 | 124 | – | 4 | 128 | 95.98 % | 0 | – | 0 | 0.08 % | 5 | – | – | 5 | 3.93 % |
| Committee of Regions | 91 | 87 | – | 2 | 89 | 98.17 % | 0 | – | 0 | 0.02 % | 2 | – | – | 2 | 1.81 % |
| Ombudsman | 10 | 10 | – | – | 10 | 92.32 % | – | – | – | 0.00 % | 1 | – | – | 1 | 7.68 % |
| European Data-protection Supervisor | 9 | 8 | – | – | 8 | 95.60 % | – | – | – | 0.00 % | 0 | – | – | 0 | 4.40 % |
| European External Action Service | 833 | 592 | 3 | 210 | 806 | 96.72 % | 16 | 2 | 18 | 2.16 % | 9 | 1 | – | 9 | 1.13 % |
| Total | 181 286 | 161 317 | 12 175 | 3 698 | 177 190 | 97.74 % | 3 119 | 656 | 3 775 | 2.08 % | 301 | 15 | 5 | 321 | 0.18 % |

Payment appropriations

EUR millions

| Institution | Payments made | | | | | | Appropriations carried over to 2016 | | | | | | Appropriations lapsing | | | |
|-------------------------------------|-------------------------------------|--------------------------------|-----------------------|----------------------------|------------------|----------------|-------------------------------------|------------------------------|----------------------------|-------------------|---------------|---------------------------------|------------------------|-------------------------------|----------------------|---------------|
| | Total appropriations available 1 | from final adopted budget 2 | from carry-overs 3 | from assigned revenue 4 | Total 5=2+3+4 | % 6=5/1 | automatic carry-overs 7 | carry-overs by decision 8 | from assigned revenue 9 | Total 10=7+8+9 | % 11=10/1 | from final adopted budget 12 | from carry-overs 13 | assigned revenue (EFTA) 14 | Total 15=12+13+14 | % 16=15/1 |
| European Parliament | 2 207 | 1 489 | 253 | 29 | 1 771 | 80.24 % | 289 | – | 19 | 309 | 13.99 % | 16 | 111 | – | 127 | 5.77 % |
| European Council and Council | 639 | 454 | 48 | 24 | 527 | 82.43 % | 46 | – | 20 | 65 | 10.25 % | 42 | 5 | – | 47 | 7.32 % |
| Commission | 146 051 | 136 698 | 1 351 | 3 404 | 141 453 | 96.85 % | 430 | 412 | 3 615 | 4 456 | 3.05 % | 74 | 66 | 2 | 142 | 0.10 % |
| Court of Justice | 376 | 334 | 15 | 1 | 350 | 93.10 % | 20 | – | 1 | 21 | 5.49 % | 3 | 2 | – | 5 | 1.41 % |
| Court of Auditors | 141 | 122 | 7 | 0 | 129 | 91.70 % | 9 | – | 0 | 9 | 6.62 % | 2 | 1 | – | 2 | 1.68 % |
| Economic and Social Committee | 142 | 114 | 6 | 3 | 124 | 87.24 % | 9 | – | 1 | 11 | 7.48 % | 5 | 2 | – | 7 | 5.28 % |
| Committee of Regions | 99 | 79 | 6 | 2 | 86 | 87.37 % | 9 | – | 0 | 9 | 8.97 % | 2 | 2 | – | 4 | 3.66 % |
| Ombudsman | 11 | 9 | 0 | – | 9 | 86.37 % | 1 | – | – | 1 | 5.91 % | 1 | 0 | – | 1 | 7.72 % |
| European Data-protection Supervisor | 10 | 8 | 0 | – | 8 | 82.61 % | 1 | – | – | 1 | 8.24 % | 0 | 0 | – | 1 | 9.15 % |
| European External Action Service | 920 | 520 | 73 | 194 | 787 | 85.53 % | 72 | 2 | 38 | 112 | 12.20 % | 9 | 12 | – | 21 | 2.27 % |
| Total | 150 595 | 139 827 | 1 759 | 3 657 | 145 243 | 96.45 % | 886 | 413 | 3 695 | 4 994 | 3.32 % | 154 | 202 | 2 | 358 | 0.24 % |

6.3. AGENCIES INCOME: BUDGET FORECASTS, ENTITLEMENTS AND AMOUNTS RECEIVED

| Agency | Final adopted budget | Entitlements established | Amounts received | Outstanding | Funding Commission Policy Area |
|--|----------------------|--------------------------|------------------|-------------|--------------------------------|
| European Agency for the Cooperation of Energy Regulators | 11 | 11 | 11 | – | 06 |
| European Asylum Support Office | 16 | 14 | 14 | – | 18 |
| European Aviation Safety Agency | 185 | 150 | 150 | 0 | 06 |
| Frontex | 143 | 147 | 147 | – | 18 |
| European Centre for the Development of Vocational Training | 18 | 18 | 17 | 2 | 15 |
| European Police College | 8 | 9 | 9 | 0 | 18 |
| European Chemicals Agency | 34 | 38 | 38 | 0 | 02 |
| European Centre for Disease Prevention and Control | 58 | 59 | 59 | 0 | 17 |
| European Monitoring Centre for Drugs and Drug Addiction | 18 | 19 | 19 | – | 18 |
| European Banking Authority | 33 | 34 | 34 | 0 | 12 |
| European Insurance and Occupational Pensions Authority | 20 | 21 | 21 | 0 | 12 |
| European Environment Agency | 42 | 53 | 43 | 10 | 07 |
| European Police office | 95 | 103 | 103 | 0 | 18 |
| European Securities and Markets Authority | 37 | 37 | 37 | – | 12 |
| Community Fisheries Control Agency | 9 | 9 | 9 | – | 11 |
| European Food Safety Authority | 79 | 80 | 80 | 0 | 17 |
| European Institute for gender equality | 8 | 8 | 8 | – | 04 |
| Galileo Supervisory Authority | 23 | 361 | 361 | 0 | 06 |
| Fusion for energy ITER | 414 | 493 | 493 | 0 | 08 |
| The European Union's Judicial Cooperation Unit (Eurojust) | 34 | 34 | 34 | 0 | 33 |
| eu.LISA | 68 | 74 | 71 | 2 | 18 |
| European Maritime Safety Agency | 65 | 65 | 65 | 0 | 06 |
| Office for Harmonisation in the Internal Market | 384 | 216 | 216 | 0 | 12 |
| European Medicines Agency | 308 | 350 | 304 | 45 | 02 |
| European Network and Information Security Agency | 10 | 10 | 10 | – | 09 |
| Office for the body of European Regulators for Electronic Communications BEREC | 4 | 4 | 4 | – | 09 |
| European Union Agency for Fundamental Rights | 22 | 22 | 22 | – | 18 |
| European Railway Safety Agency | 26 | 27 | 27 | 0 | 06 |
| European Agency for Safety and Health at Work | 15 | 16 | 16 | – | 04 |
| European Institute of Innovation and Technology | 243 | 229 | 229 | 0 | 15 |
| Translations Centre for the bodies of the EU | 50 | 42 | 42 | 0 | 15 |
| European Training Foundation | 20 | 21 | 21 | 0 | 15 |
| Community Plant Variety Office | 15 | 13 | 13 | – | 17 |
| European foundation for improvement of living & working conditions | 21 | 21 | 21 | 0 | 04 |
| Education, Audiovisual and Culture Executive Agency | 47 | 47 | 47 | – | 15 |
| Executive Agency for Competitiveness and Innovation | 36 | 36 | 36 | – | 06 |
| European Research Council Executive Agency | 40 | 40 | 40 | 0 | 08 |
| Research Executive Agency | 55 | 55 | 55 | 0 | 08 |
| Executive Agency for Health and Consumers | 7 | 7 | 7 | – | 17 |
| European Transport Network Executive Agency | 18 | 18 | 18 | – | 06 |
| Total | 2 740 | 3 007 | 2 946 | 61 | |

| Type of revenue | Final adopted budget | Entitle- ments established | Amounts received | EUR millions |
|--------------------|----------------------------|----------------------------------|---------------------|--------------|
| | | | | Outstanding |
| Commission subsidy | 1 715 | 1 700 | 1 698 | 2 |
| Fee income | 588 | 647 | 602 | 45 |
| Other income | 438 | 660 | 646 | 14 |
| Total | 2 740 | 3 007 | 2 946 | 61 |

6.4. COMMITMENT & PAYMENT APPROPRIATIONS BY AGENCY

EUR millions

| Agency | Commitment appropriations | | | Payment appropriations | | |
|--|---------------------------|----------------------|-----------------|-------------------------|-----------------|-----------------|
| | Total approp. available | Com- mit- ments made | Carried to 2016 | Total approp. available | Pay- ments made | Carried to 2016 |
| European Agency for the Cooperation of Energy Regulators | 11 | 11 | 0 | 14 | 11 | 2 |
| European Asylum Support Office | 17 | 16 | 1 | 18 | 13 | 2 |
| European Aviation Safety Agency | 208 | 140 | 65 | 213 | 127 | 84 |
| Frontex | 152 | 151 | 1 | 180 | 125 | 50 |
| European Centre for the Development of Vocational Training | 19 | 19 | 0 | 20 | 17 | 2 |
| European Police College | 9 | 9 | 0 | 10 | 8 | 2 |
| European Chemicals Agency | 115 | 113 | 0 | 126 | 111 | 13 |
| European Centre for Disease Prevention and Control | 60 | 56 | 0 | 71 | 55 | 11 |
| European Monitoring Centre for Drugs and Drug Addiction | 19 | 18 | 1 | 20 | 18 | 1 |
| European Banking Authority | 33 | 33 | - | 39 | 35 | 3 |
| European Insurance and Occupational Pensions Authority | 20 | 20 | 0 | 26 | 22 | 3 |
| European Environment Agency | 68 | 58 | 10 | 73 | 55 | 17 |
| European Police office | 103 | 100 | 3 | 109 | 93 | 15 |
| European Securities and Markets Authority | 37 | 35 | 2 | 43 | 35 | 7 |
| Community Fisheries Control Agency | 9 | 9 | - | 10 | 9 | 1 |
| European Food Safety Authority | 81 | 81 | 0 | 87 | 79 | 8 |
| European Institute for gender equality | 8 | 8 | 0 | 10 | 7 | 3 |
| Galileo Supervisory Authority | 1 582 | 144 | 1 438 | 616 | 211 | 404 |
| Fusion for energy ITER | 792 | 791 | 0 | 531 | 524 | 6 |
| The European Union's Judicial Cooperation Unit (Eurojust) | 34 | 34 | 0 | 38 | 34 | 4 |
| eu.LISA | 82 | 81 | 1 | 87 | 64 | 22 |
| European Maritime Safety Agency | 70 | 64 | 6 | 70 | 58 | 10 |
| Office for Harmonisation in the Internal Market | 424 | 266 | - | 424 | 231 | 29 |
| European Medicines Agency | 308 | 290 | 6 | 349 | 291 | 43 |
| European Network and Information Security Agency | 10 | 10 | - | 11 | 11 | 1 |
| Office for the body of European Regulators for Electronic Communications BEREC | 4 | 4 | - | 5 | 4 | 1 |
| European Union Agency for Fundamental Rights | 22 | 22 | 0 | 28 | 22 | 6 |
| European Railway Safety Agency | 27 | 26 | 0 | 30 | 27 | 3 |
| European Agency for Safety and Health at Work | 17 | 15 | 1 | 21 | 15 | 5 |
| European Institute of Innovation and Technology | 276 | 251 | 0 | 247 | 224 | 1 |
| Translations Centre for the bodies of the EU | 50 | 44 | - | 54 | 43 | 5 |
| European Training Foundation | 21 | 21 | 0 | 22 | 21 | 1 |
| Community Plant Variety Office | 17 | 15 | - | 15 | 14 | 1 |
| European foundation for improvement of living & working conditions | 22 | 22 | 0 | 26 | 23 | 3 |
| Education, Audiovisual and Culture Executive Agency | 47 | 46 | - | 52 | 46 | 5 |
| Executive Agency for Competitiveness and Innovation | 36 | 36 | - | 40 | 34 | 5 |
| European Research Council Executive Agency | 40 | 39 | - | 42 | 39 | 2 |
| Research Executive Agency | 55 | 54 | - | 59 | 54 | 3 |
| Executive Agency for Health and Consumers | 7 | 7 | - | 9 | 7 | 1 |
| European Transport Network Executive Agency | 18 | 18 | - | 20 | 18 | 2 |
| Total | 4 930 | 3 175 | 1 538 | 3 864 | 2 835 | 787 |

EUR millions

| Type of expenditure | Commitment appropriations | | | Payment appropriations | | |
|-------------------------|---------------------------|--------------------|-----------------|-------------------------|----------------|-----------------|
| | Total approp. available | Com-mit-ments made | Carried to 2016 | Total approp. available | Pay-ments made | Carried to 2016 |
| Staff | 975 | 956 | 1 | 991 | 953 | 18 |
| Administrative expenses | 412 | 392 | 2 | 467 | 356 | 85 |
| Operational expenses | 3 543 | 1 827 | 1 535 | 2 406 | 1 526 | 685 |
| Total | 4 930 | 3 175 | 1 538 | 3 864 | 2 835 | 787 |

6.5. BUDGET RESULT INCLUDING AGENCIES

EUR millions

| | European Union | Agencies | Elimination of subsidies to agencies | Total |
|--|----------------|-------------|--------------------------------------|--------------|
| Revenue for the financial year | 146 624 | 2 946 | (1 698) | 147 872 |
| Payments against current year's budget appropriations | (139 827) | (2 233) | 1 698 | (140 363) |
| Payments against assigned revenue appropriations | (3 657) | (375) | – | (4 032) |
| Payment appropriations carried over to year N+1 | (1 299) | (787) | – | (2 086) |
| Cancellation of unused appropriations carried over from year N-1 | 29 | 268 | – | 297 |
| Evolution of assigned revenue | (704) | 145 | – | (559) |
| Exchange differences for the year | 182 | 2 | – | 184 |
| Budget result 2015 | 1 347 | (34) | – | 1 313 |

In order to provide all relevant budgetary data for the Agencies, the consolidated annual accounts include separate reports on the implementation of the individual budgets of the traditional agencies consolidated.