Commission proposes draft EU budget 2016: focus on jobs, growth, migration and global action

Brussels, 27 May 2015

The Commission today proposed a 2016 EU budget of €143.5 billion in payment credits to support the recovery of the European economy and help improve lives in Europe and beyond. The money will be invested to boost innovation, create jobs, help convergence among Member States and among regions, deal more effectively with migration and further strengthen the role of the EU as a global player. The proposal also includes contributions to the European Fund for Strategic Investment (EFSI), which is at the heart of the Investment Plan for Europe. Today’s draft will be sent to the European Parliament and EU Member States who will jointly decide on the final budget.

European Commission Vice-President Kristalina Georgieva, in charge of budget and human resources, said: “In today’s economy it is more important than ever to use taxpayers' money wisely. Our 2016 budget supports the economic recovery through investment for growth and jobs, as well as helping manage external challenges such as migration. We are responding to the most pressing needs in Europe and aiming for the best possible results.”

**Boosting jobs, growth and investment**

Main features of the draft 2016 EU budget include:

- Nearly half of it (€66.58 billion) used to stimulate growth, employment and competitiveness.
- Supporting the political priorities of the European Commission, for example the Energy Union and the Digital Single Market, via programmes like the Connecting Europe Facility (€1.67 billion in 2016).
- €1.8 billion (30% more than 2015) to Erasmus+, the European programme for education, training, youth and sport, which will help over 4 million people to work and study across the EU in 2014-2020.
- Increasing competitiveness through research and innovation with programmes like Horizon 2020 (€10 billion in 2016, up 11.6% from 2015).
- €2 billion in commitments and €500 million in payments for the guarantee fund of the EFSI, to unlock €315 billion in investment for Europe. The EFSI-Regulation, including the budgetary aspects of the new investment structure, is subject to ongoing negotiations between the European Parliament and the Member States.
- A total of €42.86 billion for farmers.

**Tackling new challenges - in Europe and beyond**

More money will be available to tackle today's migration challenges. The budget supports the European Agenda for Migration presented earlier this month, with additional funding for the Triton and Poseidon Operations, strengthened emergency assistance to frontline Member States, the funding for an EU-wide resettlement scheme, and reinforcing agencies such as FRONTEX and the European Asylum Support Office (EASO). There is €833 million for 2016 for the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF), the two main sources of funding for the measures under the EU policy on migration and security.

The EU budget also responds to new developments in Europe’s neighbourhood and beyond. There is €9.5 billion (+28.5%) to support the EU's capacity to respond to external crises, such as those in Ukraine and Syria, and to provide humanitarian help to those in need. The European Neighbourhood Instrument (ENI) and the Development Cooperation Instrument (DCI) will be reinforced to €2.1 billion (+34%) and €2.7 billion (+27%), respectively.

**Background**

The draft EU budget includes two amounts for each programme to be financed – commitments and payments. "Commitments" refers to the funding that can be agreed in contracts in a given year; "payments" to the money actually paid out. In the draft 2016 budget, commitments represent €153.5 billion (down 5.3% from 2015) and payments €143.5 billion (up 1.6% from 2015). This means payments are roughly stable in real terms relative to 2015. The payments include the credits needed to phase out
the backlog of outstanding claims from the past budgetary programming period, which reached €24.7 billion at the end of 2014.

The EU budget amounts to roughly 1% of EU GDP, but thanks to its multiplication effect and its focus on results, it has a big impact. Over 2007–2013 for instance, the average increase in GDP as a result of Cohesion Policy is estimated at 2.1% a year in Latvia, 1.8% a year in Lithuania and 1.7% a year in Poland.

Draft EU budget 2016 (in million euro):

<table>
<thead>
<tr>
<th>APPROPRIATIONS BY HEADING</th>
<th>DB 2016 (nominal change in % since 2015)</th>
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<tbody>
<tr>
<td></td>
<td>Commitments</td>
</tr>
<tr>
<td>1. Smart and inclusive growth:</td>
<td>69 440.1 (-10.9%)</td>
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<tr>
<td>Competitiveness for growth and jobs</td>
<td>18 618.4 (6.1%)</td>
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<tr>
<td>Economic, social and territorial cohesion</td>
<td>50 821.7 (-15.9%)</td>
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<tr>
<td>2. Sustainable Growth: natural resources</td>
<td>63 104.4 (-1.2%)</td>
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<tr>
<td>Market related expenditure and direct aids</td>
<td>42 867.6 (-1.4%)</td>
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<tr>
<td>3. Security and Citizenship</td>
<td>2 670.0 (9.7%)</td>
</tr>
<tr>
<td>4. Global Europe</td>
<td>8 881.7 (5.6%)</td>
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<tr>
<td>5. Administration</td>
<td>8 908.7 (2.9%)</td>
</tr>
<tr>
<td>Other special Instruments*</td>
<td>524.6 (-9.8%)</td>
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<tr>
<td>Total appropriations</td>
<td>153 529.5 (-5.2%)</td>
</tr>
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<td>In % of EU-28 GNI</td>
<td>1.04%</td>
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Note: * Other special instruments include the Emergency Aid Reserve (EAR), the European Globalisation Adjustment Fund (EGF) and the European Union Solidarity Fund (EUSF). The corresponding appropriations are considered outside the MFF for the purpose of the calculation of the margins under the ceilings for appropriations.

More information

Questions and Answers
EU budget at a glance factsheet
EU budget in my country online
Myths and Facts about the EU budget
DRAFT EU BUDGET 2016
European Commission Vice-President in charge of Budget on Twitter

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