

The 2014 EU Budget at a Glance

“The first budget of the new 2014-2020 Financial Framework... reflects the current mood in Europe: the first signs of economic recovery are showing but we are not out of the woods yet.”

- Janusz Lewandowski, Commission for Financial Programming and Budget

Approximately 94% of the EU budget is spent on projects in EU Member States and beyond, which means that each of the 508 million Europeans benefit from this budget in one way or another.

The EU budget pools the resources of all Member States together, which in turn brings economies of scale. It finances action that States cannot fund independently or which they can fund more effectively by working together – this is mostly the case in sectors such as energy, transport, climate change and research. This is further highlighted by the fact that unlike national budgets, the EU budget is mostly an investment budget.

What will be financed from the EU budget in 2014?

Research and Innovation

The EU budget finances research, innovation and technological development aimed at improving Europeans’ quality of life and enhancing the EU’s global competitiveness. The new programme for research and development – **Horizon 2020** – benefits from EUR 9 billion in 2014. This funding should help to improve the EU’s key position in modern sciences and its leadership in industrial innovation. In addition, Horizon 2020 strives to bridge the gap between research and the market by encouraging innovative enterprises to develop their technological breakthroughs into viable products with real commercial potential.

Jobs

One of the key priorities of the EU is to help Member States to create more jobs. In 2014, employment of young people is more specifically target and in fact, the **Youth Employment Initiative** will be receiving EUR 3.4 billion in 2014. The fund supports young unemployed people in the regions with a high youth unemployment rate (above 25%). It should help to increase the chances for young people under 25 to receive job offers or to continue their education within 4 months without work. Every EU Member State will submit a Youth Guarantee Implementation Plan setting out how the scheme will function in practice.

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Small and Medium-Sized Enterprises (SMEs)

SMEs form the backbone of the European economy, yet in the current economic situation, they are faced with difficulties when asking for credit. **COSME**, which is worth EUR 275.3 million in 2014, is aimed at increasing the competitiveness of European SMEs and should improve their access to finances and facilitate their entry to markets across the Union as well as worldwide. Furthermore, a **Loan Guarantee Facility** covers loans up to EUR 150,000 and is available for all types of SMEs.

Investments

The EU budget targets strategic infrastructure investment at a European level, which is crucial for economic growth and the creation of jobs. The **Connecting Europe Facility (CEF)** infrastructure programme receives EUR 1.9 billion in 2014, which amounts to an increase of 30.8% over 2013. In the area of transport, the CEF concentrates on projects related to the new core transport network built on nine major corridors: two north-south corridors, three east-west corridors and four diagonal corridors.



Map of the core TEN-T (Trans-European Transport Network) and the nine major corridors

In the field of energy infrastructure, the CEF is essential to meet the principle objectives of energy policy, affordable energy for all consumers, security of supply and sustainability. As for digital networks, the CEF provides funding and technical assistance for broadband infrastructure and services projects. As from 2014, this funding shall be used to facilitate the mobility of citizens and businesses by providing seamless cross-border public services such as e-procurement and e-health.

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Education

Education is a key long-term investment of the EU to improve the competitiveness of the European Union. The new programme for education, training, youth and sport – **ERASMUS+** – receives EUR 1.6 billion in 2014, an increase of 8.8% over 2013. The programme is aimed at boosting skills and employability and supporting the modernisation of education, training and youth systems. ERASMUS+ shall provide funding for professional development of education and training staff and young workers. Students planning a full Master's degree abroad, for which national grants are rarely available, shall be able to benefit from a new loan guarantee scheme run by the European Investment Fund.

Environment

The environment is more than ever a top priority for the EU – at least 20% of the entire budget will be spent on climate-related projects and policies in the Multi-annual Financial Framework 2014-2020. The environment programme **LIFE**, which is worth EUR 404.6 million, supports biodiversity and environment protection, with a special focus on climate actions.

Apart from the LIFE programme, all the main EU programmes have as a key objective to tackle climate change. For example, within the research programme Horizon 2020, the EU dedicates over EUR 500 million for its sub-programmes on green transport and efficient energy.

Regions

To create growth, the EU needs to strengthen economic, social and territorial cohesion and bring growth and development to those regions which are still lagging behind the others. The cohesion policy, allocated EUR 47.502 billion in 2014, reduces the disparities in the level of development between regions and Member States in the EU. Different funds are used to finance new infrastructure, training programmes or cross-border cooperation:

- The **European Regional Development Fund (ERDF)**, allocated EUR 24.9 billion in 2014, reinforces economic and social cohesion by redressing regional imbalances
- The **Cohesion Fund**, worth EUR 8.9 billion in 2014, is aimed at Member States with a Gross National Income per capita of less than 90% of the Union's average.
- The **European Social Fund (ESF)** receives EUR 13.1 billion in 2014, with the main goal of helping Europeans improve their lives by learning new skills and finding better jobs. The Youth Employment Initiative is partially financed by the ESF.

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Agriculture

The EU encourages the production of safe, high quality good, promotes European agricultural products as well as innovation in farming and food process. In the funding period 2014-2020, over EUR 100 billion will be invested to help farming meet the challenges of soil and water quality, biodiversity and climate change.

Rural Development

The European Agricultural Fund for Rural Development (EAFRD) receives EUR 14 billion in 2014. This fund supports the development of rural areas, including forestry and farming. It also encourages the creation of new sources of income for their inhabitants thanks to the diversification of their activities.

Fisheries

The **European and Maritimes and Fisheries Funds** (EMFF) benefits from EUR 1 billion in 2014. This fund promotes a sustainable future for the fishing industry and the coastal communities. It also aims to rebuild fish stocks whilst also reducing the impact of fisheries on the marine environment.

Security

Thanks to funds such as the Asylum and Migration Fund (which receives EUR 403.3 million in 2014) and the Internal Security Fund, the EU contributes to an effective management of migration flows within its borders, supports police cooperation, the prevention and fight against crime, crisis management as well as the management of external borders and visas.

Freedom and Human Rights

The EU promotes freedom and human rights within its borders and beyond through programmes such as the **Rights, Equality and Citizenship** and the **European Instrument for Democracy and Human Rights**.

Citizenship

Through its **Europe for Citizens** programme, the EU supports activities to increase awareness and citizens' understanding of the EU. The programme also helps people become more engaged in civic and democratic activities through debates and discussions on EU-related issues.

Other sectors which the European Union actively supports and aims to promote are **Health, Consumer Protection, Culture and International Cooperation**.

Furthermore, the EU provides financial support to the enlargement countries in their preparations for EU accession.

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