The EU's new budget blueprint in figure

The differences between the initial proposal for the EU's long-term budget (2014-2020), made by European Council President Herman Van Rompuy last week, and the new version he gave to EU heads of state and government last night, reveal the impact of the bilateral “confessions” held yesterday.

According to the copy of the EU budget proposal, obtained by EurActiv, several budget headings have been seriously slashed, others have been increased, the overall total level of the budget remains capped at €973 billion, or 1.01% of EU’s Gross National Income (GNI).

Sub-heading 1a “Competitiveness for growth and jobs” appears to be one of the biggest victims of the changes. The total level of commitments is now put at €152,543 billion, down from €152,652 in the previous proposal.

In particular, the ‘Connecting Europe Facility’ (CFE) is slashed from €46,249 billion to €41,249 billion.

The three sectors of have been reduced respectively as follows:

transport from €29,660 billion to €26,948 billion;
energy from €8,266 billion to €7,126 billion;
telecommunications from €8,323 billion to €7,175 billion.
Two of the three large infrastructure programmes also suffer cuts:

Galileo is from €6,645 billion to €6,3 billion;
GMES from€ 4,941 to €3,786 billion.
ITER stays unchanged at €2,707 billion.
However, the sums allocated for nuclear decommissioning for the three nuclear centrals in Lithuania, Slovakia and Bulgaria which had to shut down reactors as part of their accession treaties are now increased:

Lithuania is to get for Ignalina €400 million, up from €210 in the older proposal;
Slovakia will get €200 million for Bohunice, up from €105 million;
And Bulgaria will obtain, according to the proposal, €260 million for Kozloduy, up from €185 million in the first Van Rompuy proposal.

Cohesion goes up

On Cohesion, the level of commitments is significantly increased, from €309,495 in the old proposal, to €320,148 million, but the poorer regions are not the only beneficiaries.

Resources for the “Investment for growth and Jobs” are now put at €311,420 billion, up from the older figure of €299,681 billion.

In this figure, the sub-division is as follows:

A total of €161,427 billion for less developed regions, up from €156,131 billion;
€31,393 billion for transition regions, up from 29,187 billion;
€50,872 billion for more developed regions, up from 47,505 billion;
€66,341 billion for member countries supported by the Cohesion Fund, up from €65,928.
€1,387 billion for the outermost regions, up from €925 million.
However, the figures for “European territorial cooperation” have gone down, from €9,814 million in the older proposal, to €8,728 billion in yesterday’s proposal.

An important change is the capping figure of cohesion funding to the least developed regions and member countries. The figure is now at 2.35%, down from 2.4% of GDP. Although the change may appear small, it amounts to many billion euro less revenue for the poorest regions and countries in total.

Special provisions

New paragraphs have appeared, favouring various regions in some member countries.

The more developed regions of Greece shall be allocated an additional envelope of 1 billion under the Structural funds;
The more developed regions of Portugal shall also been allocated €1 billion extra, of which €100 million for Madeira;
Spain shall be allocated an additional €2.75 billion. In addition, Spanish territories across the Mediterranean Ceuta and Melilla will receive €50 million extra;
The French outermost region of Mayotte will receive €200 million;
The Hungarian region of Kozep-Magyaroszag shall be allocated an additional €1,2 billion;
The less developed regions of Italy shall be allocated an additional €1 billion;

Malta and Cyprus will receive €200 million and €150 million respectively.
Agriculture also wins

Commitment appropriations for the heading "Sustainable growth: Natural resources", which covers agriculture, rural development, fisheries and a financial instrument for the environment and climate action, are now offered €372,229 billion, up from the older proposal of €364,472 billion. Of this amount, €277,852 will be allocated to market related expenditure and direct payments. The older figure was of €269,852 billion.

Changes have been introduced to accommodate the differences between the level of direct payments to agricultural producers between older and newer members. "All member states should attain at least the level of 196 per hectare in current prices by the end of 2020," the new version reads.

And the victims…

Heading 3 – "Security and citizenship" is slashed down at €16.685 billion, compared to €18,309 billion in the former proposal. Heading 4 "Global Europe" suffers a severe cut, from €65,650 billion proposed initially, to €60,667 billion. The figure for the Heading 5 "Administration" stays the same at €62,629 billion, but a number of additional provisions added in the new proposal were translated by a Council official as a cut by 7% of the salaries of staff in EU institutions.

The text concerning the rebates remain unchanged. In addition to the UK, Germany will receive an annual check of €2.8 billion, The Netherlands €1.15 billion and Sweden €325 million.