

<b>1</b>	<b>Single Market, Innovation, and Digital</b>	<b>Total: 240</b>
<b>1.1</b>	<b>Research and Innovation</b>	<b>Subtotal: 148</b>
1.1.1	Horizon Europe	148
<b>1.2</b>	<b>European Strategic Investments</b>	<b>Subtotal: 62</b>
1.2.1	InvestEU Fund	27
1.2.2.	Connecting Europe Facility	27
1.2.3	Digital Europe Programme	8
<b>1.3</b>	<b>Single Market</b>	<b>Total: 9</b>
<b>1.4</b>	<b>European Space Programme</b>	<b>Total: 21</b>
<b>2.</b>	<b>Cohesion, Resilience and Values</b>	<b>Total: 1265</b>
<b>2.1</b>	<b>Economic, Social and territorial cohesion</b>	<b>Subtotal: 730</b>
2.1.1	European Regional Development Fund (ERDF)	425
2.1.2	Cohesion Fund	118
2.1.3	European Social Fund	187
<b>2.2.</b>	<b>Resilience and Values</b>	<b>Subtotal: 519</b>
2.2.1	European Recovery and Resilience Facility	473
2.2.2	Civil Protection Mechanism (RescEU) and Emergency Support Instrument (ESI)	11
2.2.3	Erasmus+	35
<b>3</b>	<b>Natural Resources and Environment</b>	<b>Subtotal: 581</b>
<b>3.1</b>	<b>Market related expenditure and direct payments</b>	<b>Subtotal: 412</b>
3.1.1	European Agricultural Guarantee Fund (EAGF)	412
<b>3.2</b>	<b>Other programmes of Natural Resources and Environment</b>	<b>Subtotal: 169</b>
3.2.1	European Agricultural Fund for Rural Development (EAFRD)	152
3.2.2	European Maritime and Fisheries Fund (EMFF), incl. SFP & RFMO	11
3.2.3	Programme for Environment and Climate Action (LIFE)	5
<b>4</b>	<b>Migration and Border Management</b>	<b>Subtotal: 33</b>
4.1	Asylum, Migration and Integration Fund	15
4.2	Integrated Border Management Fund (IBMF) , including BMVI & CCEi	8
<b>5</b>	<b>Security and Defence</b>	<b>Subtotal: 12</b>
<b>6</b>	<b>Neighbourhood and the World</b>	<b>Subtotal: 143</b>
6.1	Neighbourhood, Development and International Cooperation Instrument (NDICI)	94
6.2	Humanitarian Aid (HUMA)	24
6.3	Pre-Accession Assistance (IPA III)	21
<b>7</b>	<b>European Public Administration</b>	<b>Subtotal: 80</b>
7.1	Brussels	49
7.2	Luxembourg	15
7.3	Strasbourg	3
7.4	Decentralised agencies	23

	<b>Total Expenditure</b>	<b>Total: 2339</b>
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## **A guide to reading these budgets**

### *A note on the complexity*

We realise that the EU budget as presented to you is a rather complex document, and for that reason, we have included a few paragraphs of explanation for each of the lines in the budget above. This is meant as a reference, and not something you need to know by heart. Understanding the budget is, however, very useful for manipulating EU policy, so be sure to have a copy close at hand during the conference. In addition, Google (or Yahoo, or DuckDuckGo, if you're one of *those* people) is your friend: we have used the official names for all the programmes in these documents, so it is easily possible to find out more about the budget with a simple search.

### *A note on manipulating budgets*

Of course, there are more possibilities than simply increasing or decreasing the overall budget given in a line. For example, the policy could be changed to more heavily subsidise particular regions, sectors, or products at the expense of others. Such would have to be specified in your policy proposals! Especially this later possibility makes the budget a powerful tool in the hands of a skilled politician. Just remember that the stakes are high!

### *A note on the numbers*

If you bring your calculator, you might find that the numbers in the tables of geographical distribution of spending might not always add up to the same number as the one given in the budget. The numbers given here are from the 2022 EU budget, and at the time of writing, a portion of the money in a number of lines of the budget has been allocated to that specific goal ('earmarked' in technical terms), but not been spent yet. This explains the discrepancy.

## Line 1.1.1: Horizon Europe

### What is this money used for?

Horizon Europe is the EU's programme for subsidising research and innovation throughout the Union. It is used for a great variety of different projects.

### Manipulating the budget

Increasing the Horizon budget means that more projects will receive grants, fuelling the innovative sectors of the EU economy. Decreasing the budget would mean that more applications must be turned down, reducing the number of innovative projects in the Union.

### Budget Distribution:

The budget distribution of Horizon Europe is not set, but depends on grant applications; however, the money was distributed as follows in the previous year (fractions rounded to the nearest full EUR 100.000.000):

<b>BE:</b>	13	<b>EL:</b>	3	<b>LT:</b>	0	<b>PT:</b>	2
<b>BG:</b>	0	<b>ES:</b>	11	<b>LU:</b>	5	<b>RO:</b>	1
<b>CZ:</b>	1	<b>FR:</b>	14	<b>HU:</b>	1	<b>SI:</b>	1
<b>DK:</b>	3	<b>HR:</b>	0	<b>MT:</b>	0	<b>SK:</b>	0
<b>DE:</b>	18	<b>IT:</b>	10	<b>NL:</b>	11	<b>FI:</b>	3
<b>EE:</b>	0	<b>CY:</b>	1	<b>AT:</b>	3	<b>SE:</b>	3
<b>IE:</b>	2	<b>LV:</b>	0	<b>PL:</b>	1		

## **Line 1.2.1: InvestEU Fund**

### **What is this money used for?**

The Invest EU Fund, formerly the European Fund for Strategic Investments (EFSI) is a fund that invests money specifically in small and medium enterprises, infrastructure, sustainability, research and development. Some of the money, such as you see here, is mobilised through the EU or through national budgets, but the private sector also contributes to the fund. In total, more than 300 billion euros are currently invested through InvestEU. Money in the InvestEU Fund is invested through loans, and will therefore be returned to the fund and generate further money for future investments.

### **Manipulating the budget**

Increasing the InvestEU contribution has a relatively small impact, since the total fund is so large; it is however, a sign of commitment to investing in the EU's sectors with the most potential for growth. Similarly, the overall impact of decreasing the EU's own InvestEU contribution is small, but it shows that the EU is no longer prioritising investing in its own economy.

### **Budget Distribution:**

The InvestEU Fund has an investment portfolio with an equitable geographical distribution.

## **Line 1.2.2: Connecting Europe Facility**

### **What is this money used for?**

Budget under the Connecting Europe Facility (CEF) is spent on large transnational infrastructure projects in transport, energy, and digital services, connecting the different member states of the European Union.

### **Manipulating the budget**

Increasing the budget of the CEF will facilitate grants to new, more or larger infrastructure projects, or increase grants to existing projects. This will help further integrate European economies, and hopefully foster growth. Decreasing the CEF budget will reduce the number or the amount of grants from the programme, and slow European integration.

### **Budget Distribution:**

Spending under the CEF has an equitable geographical distribution.

## **Line 1.2.3: Digital Europe Programme**

### **What is this money used for?**

The Digital Europe Programme provides strategic funding to answer the challenges of the digital transition, mainly the growing dependence of European citizens on digital technology in their daily lives and while relying on digital technology and infrastructure originating from outside of Europe. The Digital Europe Programme supports projects in five key capacity areas: in supercomputing, artificial intelligence, cybersecurity, advanced digital skills, and ensuring a wide use of digital technologies across the economy and society

### **Manipulating the budget**

Increasing the budget of the Digital Europe Programme will allow more or larger grants to European projects working on the abovementioned challenges. This, in turn, will help to keep Europe in a leading role in digital innovation and reduce dependence on research from China or Big Tech firms in Silicon Valley. Decreasing budget will, on the other hand, reduce grant money from the programme and thus result in greater dependence on the outside world.

### **Budget Distribution:**

Spending under the Digital Europe Programme has a more or less equitable geographical distribution, with a slight skew towards more developed economies.

## **Line 1.3: Single Market**

### **What is this money used for?**

The European Union's core achievement is the creation of a single market in Europe, allowing goods, services and labour to travel freely between the member states. Maintaining that freedom requires continuous coordination between the governments of the continent's different member states, and mutual trust in institutions like customs and taxes. The EU helps fund this coordination. In addition, under the Single Market Programme, the EU supports the competitiveness of SMEs, in particular by reaching beyond national borders in Europe. This line item combines these, and several smaller, programmes.

### **Manipulating the budget**

Increasing the budget of the programmes subsumed under the Single Market line item will mostly benefit small and medium enterprises expand beyond national borders, tapping into new potential and further integrating the European market. Cutting funds, on the other hand, will undermine trust in the single market and favour large established multinational enterprises.

### **Budget Distribution:**

Spending under the Digital Europe Programme has an equitable geographical distribution.



## **Line 1.4: European Space Programme**

### **What is this money used for?**

The European Union and most of its member states, as well as Norway, Switzerland, the UK and – for some programmes – Canada form the European Space Agency. Though perhaps inferior to those run by the Americans or Chinese, the European Space Programme is still one of the most well developed in the world – as evidenced by, for example, the most precise global satellite navigation system currently in orbit.

### **Manipulating the budget**

The EU provides roughly a quarter of the ESA's budget. Increasing allocation to the European Space Programme will allow ESA to develop more ambitious programmes, whether chiefly civilian/research oriented or dual use – and, though the days of the space race are long behind us, achievements in spaceflight are still an important yardstick of soft power in the 21<sup>st</sup> century. Decreasing the budget will force ESA into more modest plans.

### **Budget Distribution:**

Spending under the European Space Programme is skewed heavily towards member states with sizeable space industries and/or ESA offices, i.e., France, Germany, Italy, Spain, and to a lesser extent The Netherlands and Belgium.

## **Line 2.1.1: European Regional Development Fund (ERDF)**

### **What is this money used for?**

The European Regional Development Fund invests in the economy and infrastructure of the member states, to increase the economic potential of the Union. Investments are made on the basis of development: lesser developed regions receive more money to 'catch up' with the rest of the EU (known as 'regional convergence'), but the EU also invests in more developed regions to enhance their global competitiveness.

### **Manipulating the budget**

Increasing the budget of European Regional Development Fund will help all of Europe, but will disproportionately benefit the lesser developed regions of the EU, especially in the south and east. Decreasing this budget, on the other hand, will disproportionately hurt those regions.

### **Budget Distribution:**

This budget is spent chiefly in less-developed regions of the EU. It is distributed as follows:

<b>BE:</b>	5	<b>EL:</b>	10	<b>LT:</b>	5	<b>PT:</b>	15
<b>BG:</b>	5	<b>ES:</b>	33	<b>LU:</b>	1	<b>RO:</b>	25
<b>CZ:</b>	20	<b>FR:</b>	15	<b>HU:</b>	21	<b>SI:</b>	2
<b>DK:</b>	1	<b>HR:</b>	3	<b>MT:</b>	1	<b>SK:</b>	12
<b>DE:</b>	20	<b>IT:</b>	40	<b>NL:</b>	1	<b>FI:</b>	1
<b>EE:</b>	4	<b>CY:</b>	1	<b>AT:</b>	3	<b>SE:</b>	2
<b>IE:</b>	0	<b>LV:</b>	5	<b>PL:</b>	60		

## Line 2.1.2: Cohesion Fund

### What is this money used for?

Money in the EU Cohesion fund is spent in Member States with a GDP p.c. that is less than 90% of the EU average, that is to say, in the lesser developed economies of the continent. It is invested in sustainability, infrastructure, and other long-term development projects.

### Manipulating the budget

Increasing the budget of the Cohesion Fund will, as expected, benefit the lesser developed economies of the EU, especially in the south and east, and help close the gap between the rich and poor in Europe. Decreasing the budget of the Fund will do the opposite.

### Budget Distribution:

This budget is spent chiefly in less-developed regions of the EU. It is distributed as follows:

<b>BE:</b>	0	<b>EL:</b>	4	<b>LT:</b>	3	<b>PT:</b>	6
<b>BG:</b>	3	<b>ES:</b>	0	<b>LU:</b>	0	<b>RO:</b>	16
<b>CZ:</b>	12	<b>FR:</b>	0	<b>HU:</b>	10	<b>SI:</b>	1
<b>DK:</b>	0	<b>HR:</b>	3	<b>MT:</b>	0	<b>SK:</b>	8
<b>DE:</b>	0	<b>IT:</b>	0	<b>NL:</b>	0	<b>FI:</b>	0
<b>EE:</b>	2	<b>CY:</b>	1	<b>AT:</b>	0	<b>SE:</b>	0
<b>IE:</b>	0	<b>LV:</b>	2	<b>PL:</b>	41	<b>UK:</b>	0

## **Line 2.1.3: European Social Fund (ESF)**

### **What is this money used for?**

The ESF is a merger of several European Union programmes aimed at job security and regional convergence. ESF spending is meant to support the creation of more and better jobs in the EU, in particular in less economically developed regions. The ESF (co-)funds national, regional and local projects that improve the levels of employment, the quality of jobs, and the inclusiveness of the labour market in the member states and their regions.

### **Manipulating the budget**

Increasing the budget of the ESF will benefit, in particular, unemployed citizens (or poorer employed citizens) in the developing regions of the Union, and support the convergence of European economic development. Decreasing the budget of the ESF will particularly hit the poorest in the less economically developed member states.

### **Budget Distribution:**

This budget is spent chiefly in less-developed regions of the EU. It is distributed as follows:

<b>BE:</b>	2	<b>EL:</b>	4	<b>LT:</b>	4	<b>PT:</b>	11
<b>BG:</b>	2	<b>ES:</b>	13	<b>LU:</b>	0	<b>RO:</b>	7
<b>CZ:</b>	6	<b>FR:</b>	8	<b>HU:</b>	9	<b>SI:</b>	1
<b>DK:</b>	0	<b>HR:</b>	5	<b>MT:</b>	0	<b>SK:</b>	3
<b>DE:</b>	11	<b>IT:</b>	17	<b>NL:</b>	1	<b>FI:</b>	1
<b>EE:</b>	1	<b>CY:</b>	0	<b>AT:</b>	1	<b>SE:</b>	1
<b>IE:</b>	0	<b>LV:</b>	1	<b>PL:</b>	21		

## **Line 2.2.1: European Recovery and Resilience Facility (RRF)**

### **What is this money used for?**

The European Recovery and Resilience Facility is unique in that it is not based on direct contributions by member states but is funded by borrowed capital raised by issuing bonds on behalf of the European Union. It was established as a means to help the European economy recover from the economic crisis caused by COVID-19, but remains relevant to combat economic hardship caused by other crises. It is distributed to member state governments on the basis of their national recovery plans, which must contribute to the digital and green transitions.

### **Manipulating the budget**

The RRF is a temporary instrument that included a unique agreement between member states to allow the European Commission to borrow funds on their behalf. Increasing the funding under the RRF would require another agreement between member states to allow the EU to raise further funds on capital markets. Increasing the budget of the RRF would increase investment in European economies through the national recovery plans. Siphoning funds borrowed under the RRF away for other purposes is... ill advised.

### **Budget Distribution:**

Payouts under the RRF have been very limited up until 2022, but spending will be on an equitable geographical basis.

## **Line 2.2.2: Civil Protection Mechanism (RescEU) and Emergency Support Instrument (ESI)**

### **What is this money used for?**

The RescEU and ESI are the EU's internal emergency aid programmes, meant to facilitate a rapid response in case of emergencies such as natural disasters as well as quick liquidity to purchase necessary aid goods.

### **Manipulating the budget**

Increasing the budget of RescEU and ESI will help strengthen EU coordination to provide internal support in case of disasters. Note that the EU does not have its own agencies, but merely coordinates rapid response by separate member state agencies. The EU can, and does, purchase relief goods; additional budget in for the ESI will allow the EU to fund better and more aid in case of disasters.

### **Budget Distribution:**

The budget is mostly unspent until a disaster strikes.

### **Line 2.2.3: Erasmus+**

#### **What is this money used for?**

The Erasmus programme is a programme of grants supporting students of EU member states living and studying abroad in one of the other EU member states.

#### **Manipulating the budget**

Increasing the Erasmus budget will allow more students to study or take internships abroad, and increases the interconnectedness of the EU's institutions of higher education. Decreasing it will reduce the number of exchange students and foreign interns in the EU.

#### **Budget Distribution:**

Spending under the Erasmus+-programme has an equitable geographical distribution.

## Lines 3.1.1: European Agricultural Guarantee Fund

### What is this money used for?

The largest single expenditure in the EU's annual budget are the Direct Payments made via the European Agricultural Guarantee Fund (EAGF) as part of the Union's Common Agricultural Policy (CAP).

Effectively, the CAP is a system that directly subsidises farmers throughout Europe. This has the effect of lowering the prices these farmers need to ask for their products to make a profit. Especially in combination with the tariffs levied on the import of many foodstuffs from outside the EU, this allows European farmers to compete more easily with producers outside of the EU.

In addition to direct subsidies, a small portion of the EAGF is devoted to market interventions. This is a more varied set of measures that includes such schemes as subsidies for limiting production (to prevent overproduction and price crashes), and the guaranteed (often large-scale purchase) of certain goods, again to prevent price crashes.

Many European farms rely on subsidies from the CAP to stabilise their incomes, and many farmers need the European money to make ends meet.

### Manipulating the budget

The effect of increasing the EAFG budget would be to stimulate agricultural production in the Union.

Decreasing the EAFG budget would have the effect of further opening up the European agricultural sector, which has been sheltered for many years, to the wiles of the free market.

### Budget Distribution:

<b>BE:</b> 6	<b>EL:</b> 20	<b>LT:</b> 6	<b>PT:</b> 9
<b>BG:</b> 8	<b>ES:</b> 55	<b>LU:</b> 0	<b>RO:</b> 20
<b>CZ:</b> 9	<b>FR:</b> 75	<b>HU:</b> 13	<b>SI:</b> 1
<b>DK:</b> 8	<b>HR:</b> 4	<b>MT:</b> 0	<b>SK:</b> 4
<b>DE:</b> 48	<b>IT:</b> 40	<b>NL:</b> 7	<b>FI:</b> 5
<b>EE:</b> 2	<b>CY:</b> 1	<b>AT:</b> 7	<b>SE:</b> 7
<b>IE:</b> 12	<b>LV:</b> 3	<b>PL:</b> 34	



## Line 3.2.1: European Agricultural Fund for Rural Development (EAFRD)

### What is this money used for?

The EAFRD spends money on projects that support the competitiveness of agriculture, the sustainable management of natural resources, the balanced development between rural and urban communities, and the creation of employment opportunities in rural areas.

### Manipulating the budget

Increasing the budget of EAFRD will lead to greater investment in the rural regions of the EU, helping close the gap between them and the cities, and slowing down the rapid urbanisation of the European continent. Taking money out of the EAFRD will, on the other hand, shift the balance in Europe towards the urban areas even further.

### Budget Distribution:

This budget is spent in the EU's rural areas. It is distributed as follows:

<b>BE:</b>	1	<b>EL:</b>	9	<b>LT:</b>	2	<b>PT:</b>	5
<b>BG:</b>	2	<b>ES:</b>	12	<b>LU:</b>	0	<b>RO:</b>	9
<b>CZ:</b>	3	<b>FR:</b>	18	<b>HU:</b>	6	<b>SI:</b>	1
<b>DK:</b>	1	<b>HR:</b>	3	<b>MT:</b>	0	<b>SK:</b>	1
<b>DE:</b>	15	<b>IT:</b>	15	<b>NL:</b>	1	<b>FI:</b>	4
<b>EE:</b>	1	<b>CY:</b>	0	<b>AT:</b>	4	<b>SE:</b>	2
<b>IE:</b>	3	<b>LV:</b>	1	<b>PL:</b>	14		

## **Line 3.2.2: European Maritime and Fisheries Fund (EMFF), incl. Sustainable Fisheries Partnership Agreements (SFPS) & Regional Fisheries Management Organisation (RFMO)**

### **What is this money used for?**

EMFF helps fishers to adopt sustainable fishing practices and coastal communities to diversify their economies, improving quality of life along European coasts.

### **Manipulating the budget**

Increasing the budget of EMFF will allow more investment in the EU's coastal regions, particularly those with traditionally maritime economies. Taking money out of the EMFF will cause friction with the already struggling fisheries industry in the EU and the regions that rely heavily on it.

### **Budget Distribution:**

This budget is spent in the EU's coastal regions.

### **Line 3.2.3: Programme for Environment and Climate Action (LIFE)**

#### **What is this money used for?**

The LIFE Programme is one of the spearheads of EU environmental and climate funding. The general objective of LIFE is to contribute to the implementation, updating and development of EU environmental and climate policy and legislation. The LIFE programme focuses on developing and implementing innovative ways to respond to environment and climate challenges, thereby catalysing changes in policy development, implementation and enforcement.

#### **Manipulating the budget**

Increasing the budget of the LIFE programme will help reduce EU climate impact and build European resilience to climate change, while decreasing the budget will harm the efforts the European nations to prepare for the inevitable effects of a changing climate.

#### **Budget Distribution:**

Spending under the LIFE-programme has an equitable geographical distribution.

## **Line 4.1: Asylum, Migration and Integration Fund**

### **What is this money used for?**

Monies in the Asylum, Migration and Integration Fund are spent to develop the common European asylum system, support legal migration to the member states, to counter irregular/illegal migration, to ensure effective return of irregular migrants, and to enhance solidarity between EU member states (in particular, by supporting those most affected by migration challenges).

### **Manipulating the budget**

Decreasing the budget of the Asylum, Migration and Integration Fund will cut into European efforts to collectively address challenges caused by refugees and migration. Increasing the budget will help build European cohesion, and, in particular, support those member states which receive the largest influx of migrants and refugees.

### **Budget Distribution:**

The largest recipients under of grants from the Asylum, Migration and Integration Fund are Greece, Germany, Spain, France and Italy.

**Line 4.2: Integrated Border Management Fund (IBMF) , including the Instrument for Border Management and Visa (BMVI) and the Instrument for financial Support for Customs Control Equipment (CCEi)**

**What is this money used for?**

Since the European Union is a single market, there are no customs checks at internal borders. This means that the customs at the external borders of the Union are effectively the borders of all EU nations. As such, the EU has a fund that supports national authorities performing the customs checks for the entire Union.

**Manipulating the budget**

Increasing the budget allocated to this line will help improve external border controls. Decreasing the budget of the Integrated Border Management Fund will weaken customs and visa checks at the EU's external borders.

**Budget Distribution:**

Spending under the IBMF has an equitable geographical distribution.

## Line 5: Security and Defence

### What is this money used for?

The EU spends money on a number of security and Defence programmes, such as the the Internal Security Fund (ISF), the European Defence Fund (EDF), and several nuclear decommissioning programmes in post-Soviet states.

### Manipulating the budget

Taking money from the budget for security and defence would effectively mean cutting one of the programmes mentioned here. Increasing it, however, could mean expanding one of the programmes or adding a new initiative.

### Budget Distribution:

Security and Defence-spending is distributed equitably throughout the union. The following programmes are the largest benefactors of the spending.

5.1	Internal Security Fund	5
5.2	Nuclear Decommissioning	3
5.3	European Defence Fund	7

## **Line 6.1: Neighbourhood, Development and International Cooperation Instrument (NDICI)**

### **What is this money used for?**

The EU itself, even if taken separate from its members, is amongst the most important contributors of development aid worldwide. The money is used for a wide variety of purposes: The EU contributes to UN organisations, NGOs, foreign governments, and all manner of projects - too many organisations to enumerate here.

### **Manipulating the budget**

Increasing the development aid budget will not benefit the EU directly, but rather the recipients of the aid. Similarly, decreasing development aid will not hurt the EU directly.

However, development aid can be used as a lever on the countries receiving it: by increasing or decreasing it, the EU can 'gently nudge' other states to do as it wishes. The morality of this practice will not be discussed here.

Keep in mind, however, that the enormous inequality between the EU and some of its neighbours is an important source of strife between them...

### **Budget Distribution:**

The top 10 recipients of the European development aid in 2021 are as follows:

<b>Turkey:</b>	<b>26</b>	<b>Afghanistan:</b>	<b>13</b>
<b>Egypt:</b>	<b>24</b>	<b>Morocco:</b>	<b>12</b>
<b>Ukraine:</b>	<b>15</b>	<b>Jordan:</b>	<b>12</b>
<b>India:</b>	<b>14</b>	<b>Somalia:</b>	<b>12</b>
<b>Syria:</b>	<b>14</b>	<b>Tunisia:</b>	<b>12</b>

## **Line 6.2: Humanitarian Aid**

### **What is this money used for?**

The European Union provides assistance to countries and populations, both within Europe and abroad, when major disasters or humanitarian emergencies occur. Through its humanitarian aid, the EU assists the most vulnerable populations basic needs such as food, water, shelter and medical care. Aid is channelled through 200+ international and local partner organisations and agencies.

### **Manipulating the budget**

Increasing the funds available for humanitarian aid will allow the EU to respond more adequately to humanitarian crises, such as war or natural disasters, outside of the EU. Reducing the budget will limit the EU's capacity to do the same.

### **Budget Distribution:**

The humanitarian aid budget is spent reactively when crises occur.



## **Line 6.3: Instrument for Pre-Accession Assistance (IPA)**

### **What is this money used for?**

The IPA is money that is spent in candidate and potential candidate Member States, to strengthen their ties with the EU and to help them reach the requirements for membership. There are five categories of aid:

- Assistance for transition and institution building;
- Cross-border cooperation (with EU Member States and other countries eligible for IPA);
- Regional development (transport, environment, regional and economic development);
- Human resources (strengthening human capital and combating exclusion);
- Rural development.

### **Manipulating the budget**

Increasing the funds available for pre-accession assistance will make it more attractive for states to apply for EU membership, and will speed up the process of accession.

Decreasing the IPA budget will make applying for EU-membership less attractive, and lengthen the process.

### **Budget Distribution:**

The IPA beneficiary countries are divided into two categories:

- EU candidate countries (Turkey, Albania, Montenegro, Serbia and the Republic of North Macedonia) are eligible for all five components of the IPA;
- Potential candidate countries in the Western Balkans (Bosnia-Herzegovina, Kosovo under UN Security Council Resolution 1244/99) are eligible only for the first two components.

## **Lines 7.1-7.4: Administration**

### **What is this money used for?**

The EU, like any government, is supported by a sizeable administration of dedicated civil servants. The administration needs office buildings and supplies, the civil servants need to be paid, etc. All of the costs of running the EU as an organisation are paid for out of the budget assigned to this line.

The costs are split over the three main seats of the EU institutions: Brussels, Strasbourg, and Luxembourg, as well as the offices and locations of decentralized agencies elsewhere in Europe. The number given corresponds to the budget spent to supply and maintain the EU organisations in these three main cities as well as every place else each year.

### **Manipulating the budget**

Increasing the administrative budget will allow the EU to hire more civil servants, renovate buildings, buy new IT equipment, etc., increasing the overall effectiveness of the organisation. Decreasing the administrative budget will mean squeezing or laying off employees, closing down agencies or institutions, and a general decrease in the effectiveness of the EU as an organisation.

### **Budget Distribution:**

Unsurprisingly, most of the administrative budget is spent in places where EU institutions have their seats. The main seats are Brussels, Luxembourg and Strasbourg, but other EU Member States are home to EU institutions as well.