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Consolidated annual accounts of the European Union for the financial year 2024

(C/2025/4944)

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FINANCIAL HIGHLIGHTS OF THE YEAR

The objective of this section on financial highlights, which has been prepared on the basis of the principles outlined in the IPSASB Recommended Practice Guideline (RPG) 2 'Financial Statement Discussion and Analysis' is to assist readers in understanding how the operational, financial and investment activities of the EU are reflected in the different elements of the consolidated financial statements of the EU. The information presented in this section has not been audited.

Please note that due to the rounding of figures into millions of euro, some financial data in the tables below may appear not to add up.

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1. **KEY FIGURES AND HIGHLIGHTS OF THE YEAR**

Consolidated financial statements

The consolidated financial statements of the EU comprise more than 50 entities (including the European Parliament, the Council, the Commission and EU agencies). They are prepared on the basis of accrual-based accounting rules adopted by the Accounting Officer of the Commission, these rules being based on International Public Sector Accounting Standards (IPSAS).

As shown in the summarised balance sheet below and further detailed in the Financial Statements Analysis (Section **5**), the most notable features of the 2024 EU consolidated financial statements were an increase in borrowing related to the implementation of NextGenerationEU and the additional financial support provided to Ukraine:

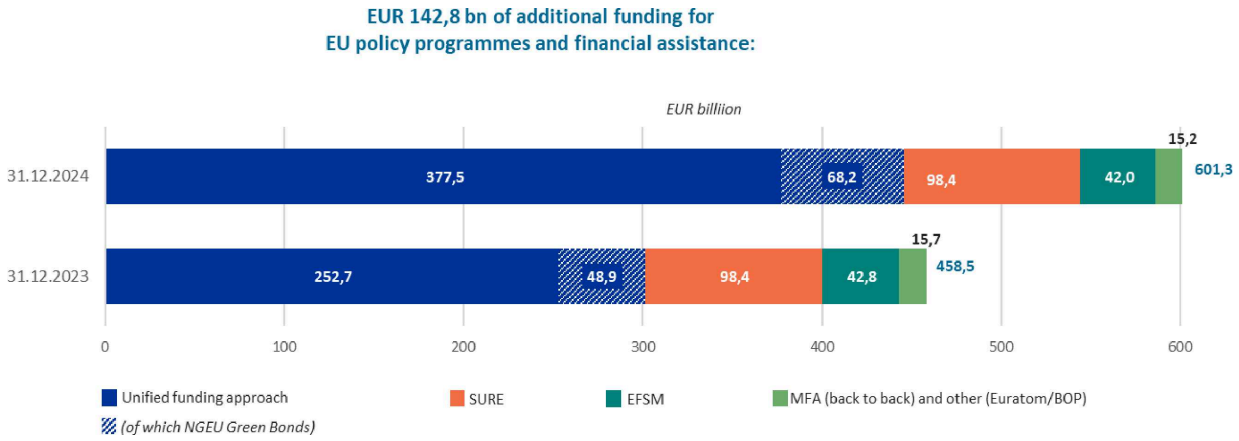
EUR billion

	2024	2023	Change
ASSETS			
Financial assets	328,3	285,4	43,0
Pre-financing	78,9	91,7	– 12,8
Receivables	31,7	35,2	– 3,5
Cash and cash equivalents	63,2	39,6	23,6
Property, plant and equipment, and other assets	16,3	15,8	0,5
Total	**518,5**	**467,7**	**50,8**
LIABILITIES			
Post-employment benefits	93,1	90,8	2,3
Financial liabilities	601,9	458,4	143,5
Payables	55,4	50,5	4,9
Accruals	67,1	76,8	– 9,7
Other liabilities	9,8	3,3	6,5
Total	**827,3**	**679,8**	**147,5**
NET ASSETS			
Reserves	1,0	1,1	– 0,1
Amounts to be called from Member States	(309,8)	(213,2)	– 96,6
Total	**(308,8)**	**(212,2)**	**– 96,7**

→ see Financial Statement Analysis, Section **5**

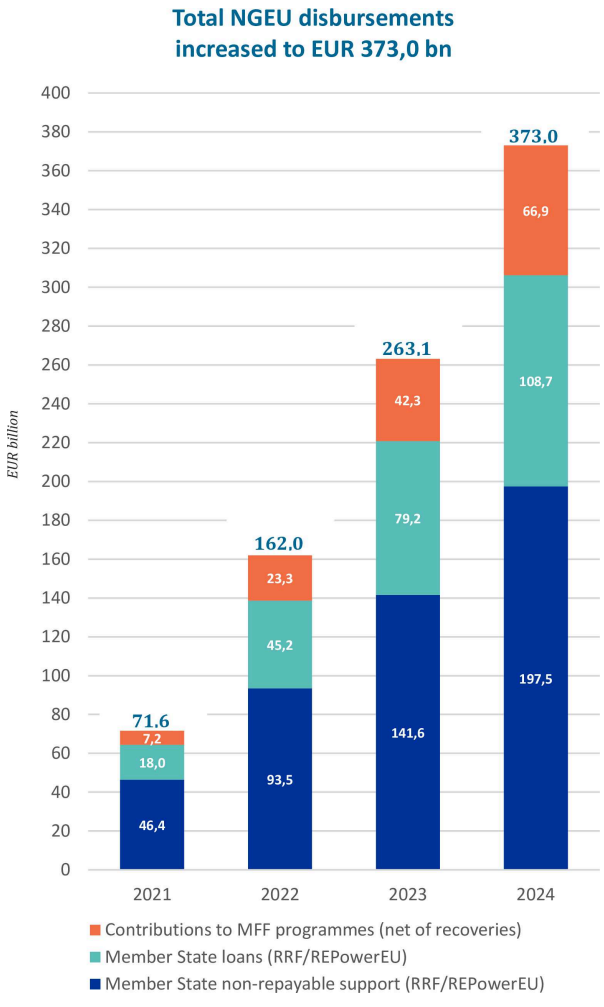
Key developments in 2024

Continuing the successful track record of issuing EU-Bonds, EU-Bills and NGEU Green Bonds



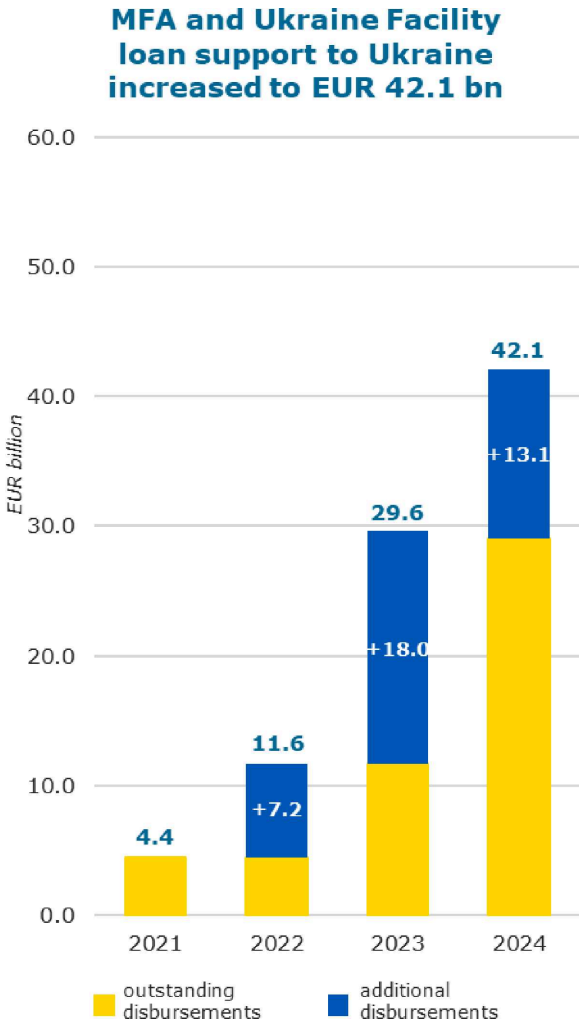
→ see Section **4**

Delivering on the NGEU objectives



→ see Section **3**

Providing financial assistance to Ukraine



→ see Section **4**

2. THE 2021-2027 MULTIANNUAL FINANCIAL FRAMEWORK, NextGenerationEU AND SUPPORT TO UKRAINE

The EU's long-term budget for 2021-2027, together with the NextGenerationEU (NGEU) recovery instrument, amounts to EUR 2,028 trillion in current prices (EUR 1,8 trillion in 2018 prices).

The package consists of the long-term budget, the 2021-2027 multiannual financial framework (MFF), made up of EUR 1,221 trillion in current prices (EUR 1,081 trillion in 2018 prices), combined with the temporary NGEU recovery instrument, of an initial amount of up to EUR 806,9 billion in current prices (EUR 750 billion in 2018 prices). This initial amount has been adjusted to EUR 712 billion, as the total available loan support was not fully requested by the Member States.

Revision of the EU budget 2021-2027

Since the adoption in 2020 of the long-term EU budget for 2021-2027, the EU has faced a series of unprecedented and unforeseen crises, including Russia's war of aggression against Ukraine and its consequences, the acceleration of inflation and interest rates, as well as migration and external challenges such as the Middle East conflict. Tackling these multiple challenges has stretched the resources of the EU budget to the limit, hampering its ability to address even the most pressing challenges. To ensure that the EU budget can continue to deliver on its key objectives, the European Commission proposed in June 2023 to strengthen the EU's long-term budget.

On 1 February 2024, EU leaders endorsed all of the priorities set out in the Commission's proposal and agreed on the first-ever revision of the EU's long-term budget – which was also approved by the European Parliament on 27 February 2024. Key elements include:

— critical support for Ukraine: a new Ukraine Facility, based on grants, loans and guarantees, with a total capacity of EUR 50 billion over the period 2024-2027, will address Ukraine's immediate needs, reconstruction and modernisation on its path towards the EU;

— strengthening sovereignty and competitiveness: the Strategic Technologies for Europe Platform (STEP) will boost the EU's long-term competitiveness in critical technologies, digital and deep tech, clean tech and biotech, with new flexibilities and incentives for cohesion funding and the Recovery and Resilience Facility, and a EUR 1,5 billion top-up to the European Defence Fund;

— further action on migration and external challenges: an increase of EUR 9,6 billion will support the internal and external dimensions of migration and help partners in the Western Balkans, southern neighbourhood and beyond;

— a stronger response to unforeseen crises: to enable the EU budget to continue to respond to unforeseen circumstances – such as the energy crisis, food crises and the aftermath of Russia's war amid rising inflation and interest costs – the Flexibility Instrument will be reinforced with an additional EUR 2 billion, while the ceiling of the Emergency Aid Reserve will be increased by EUR 1,5 billion and split into two separate instruments: the European Solidarity Reserve and the Emergency Aid Reserve;

— more crisis resilience: a three-step emergency mechanism and a new instrument will provide clarity on the budgetary mechanisms for financing the costs associated with NextGenerationEU;

— the revision will be financed through a combination of new resources and redeployment within the EU budget. This will allow the EU to continue to address the most pressing priorities while minimising the impact on national budgets, for the benefit of people in the EU and beyond.

The revision entered into force on 1 March 2024 and applies retroactively to the EU budget as of 1 January 2024. The impact of the revision on the 2024 budget was included through amending budget No 1/2024, while the longer-term impact is reflected in the 2025 budget and the financial programming for 2026 and 2027.

NextGenerationEU

With an initial budget of up to EUR 806,9 billion, NGEU is designed to help repair the immediate economic and social damage brought about by the COVID-19 pandemic, and help build a post-COVID-19 Europe that is greener, more digital, more resilient and more able to face current and forthcoming challenges. The majority of the funds are channelled through the Recovery and Resilience Facility (RRF). Part of the funds, up to EUR 338,0 billion, are provided in the form of non-repayable support, or grants. The other part, up to EUR 385,8 billion, is used to provide loans from the EU to individual Member States.

The deadline for Member States to request loans expired in August 2023, meaning that EUR 94,9 billion in loans can no longer be disbursed. As a result, the total amount for loans now stands at EUR 290,9 billion, and the adjusted total envelope for non-repayable support and loans stands at EUR 712 billion. These loans will only start to be repaid by the Member States that received them after the end of the current MFF period, and repayments will continue over an extended period of time (from 2032 to 2054, see Section **3.3**). NGEU will also reinforce the following EU programmes and policies:

— the Cohesion policy under the recovery assistance for cohesion and the territories of Europe (REACT-EU), to help address the economic consequences of COVID-19 in the first years of the recovery;

— the Just Transition Fund, to guarantee that the transition to climate neutrality works for all;

— the European Agricultural Fund for Rural Development, to further support farmers;

— InvestEU, to support the investment efforts of our businesses;

— Horizon Europe, to make sure the EU has the capacity to fund more excellence in research;

— RescEU, to safeguard the capacity of the EU Civil Protection Mechanism to respond to large-scale emergencies.

In addition, RRF grants are now supplemented by the inclusion of REPowerEU measures, also financed by Emissions Trading Scheme (ETS) revenues and Brexit Adjustment Reserve (BAR) allocations, together with NGEU allocations. Similarly, the RRF loans are contributing to REPowerEU purposes. Please see Section 3 for further detailed information on the NGEU implementation and Section 4 on the borrowing via the unified funding approach.

Support to Ukraine

Since the beginning of Russia's war of aggression against Ukraine, the EU budget has massively stepped up to support the EU's crisis response in Ukraine on all fronts. More concretely, as part of a 'Team Europe' approach, the EU, its Member States and European financial institutions, had by the end of 2024 mobilised over EUR 130 billion in overall support for Ukraine and its people, in a clear expression of the EU's continued solidarity. This includes:

— EUR 64,4 billion in financial assistance, budget support and humanitarian assistance, enabled by the EU budget and coming directly from EU Member States in the form of grants, loans and guarantees (of which, EUR 19,6 billion was mobilised throughout 2024 under all three pillars of the Ukraine Facility in the form of loans, non-repayable support and budgetary guarantees);

— EUR 47,3 billion in military assistance provided directly by EU Member States, including EUR 6,1 billion through the European Peace Facility (off-budget instrument);

— EUR 1,5 billion made available from the proceeds stemming from frozen and immobilised Russian sovereign assets (windfall profits); and

— EUR 17 billion made available by the EU and its Member States to support people fleeing Ukraine.

Political priorities for the 2024-2029 Commission

The political priorities of the European Commission are set out in the political guidelines set by its President. Under President von der Leyen, the Commission, which took office on 1 December 2024, will focus on the following seven key priorities:

A new plan for Europe's sustainable prosperity and competitiveness

Europe as a continent of economic growth, enterprise and innovation by ensuring competitiveness, prosperity and fairness.

A new era for European defence and security

Meeting Europe's security and defence challenges, and enhancing preparedness and crisis management.

Supporting people, strengthening our societies and our social model

Promoting social fairness, increasing solidarity in our society, and ensuring equal opportunities for all.

Sustaining our quality of life: Food security, water and nature

Building a competitive and resilient agriculture and food system, safeguarding biodiversity, and preparing for a changing climate.

Protecting our democracy, upholding our values

Putting citizens at the heart of our democracy to empower all to help shape the future of our European Union.

A global Europe: Leveraging our power and partnerships

Focusing on our wider neighbourhood to tackle global challenges and promote peace, partnerships, and economic stability.

Delivering together and preparing our European Union for the future

A modern and reinforced EU budget, and ambitious reform agenda to deliver on our goals.

3. NGEU IMPLEMENTATION

3.1. Overview

At the end of 2024, the Commission had disbursed a total of EUR 373,0 billion in financial support. The majority of this amount, EUR 306,1 billion, was disbursed under the RRF (including support for REPowerEU reforms and investments), with EUR 197,5 billion disbursed as non-repayable support and EUR 108,7 billion disbursed as financial loan support. A further EUR 66,9 billion (net of recoveries) was disbursed as MFF payments under existing programmes.

3.2. Disbursements of non-repayable support under the RRF (including REPowerEU)

The total non-repayable support approved and legally committed under the 27 Member States' recovery and resilience plans amounts to EUR 359,5 billion. On 31 December 2024 the budgetary commitments amounted to EUR 358,9 billion. At the end of 2024, the Commission had disbursed a total of EUR 197,5 billion of non-repayable support to 26 Member States:

EUR billion

Member State	Total value of grants	Budgetary commitments 31.12.2024 (*)	Total disbursed 31.12.2024
Austria	4,0	4,0	1,2
Belgium	5,0	4,9	1,5
Bulgaria	5,7	5,7	1,4
Croatia	5,8	5,8	3,7

EUR billion

Member State	Total value of grants	Budgetary commitments 31.12.2024 (*)	Total disbursed 31.12.2024
Cyprus	1,0	1,0	0,4
Czechia	8,4	8,4	4,2
Denmark	1,6	1,6	1,0
Estonia	1,0	1,0	0,5
Finland	1,9	1,9	0,5
France	40,3	40,3	30,9
Germany	30,3	30,3	19,8
Greece	18,2	18,2	8,6
Hungary	6,5	6,5	0,1
Ireland	1,2	1,1	0,3
Italy	71,8	71,8	46,4
Latvia	2,0	2,0	0,8
Lithuania	2,3	2,3	1,1
Luxembourg	0,2	0,1	0,0
Malta	0,3	0,3	0,2
Netherlands	5,4	5,3	1,3
Poland	25,3	25,3	7,3
Portugal	16,3	16,3	8,5
Romania	13,6	13,6	5,8
Slovakia	6,4	6,4	3,5
Slovenia	1,6	1,6	0,7
Spain	79,9	79,9	48,0
Sweden	3,4	3,4	–
Total	**359,5**	**358,9**	**197,5**

(*) *Budgetary commitments take into account all decommitments including those related to commitments made before 2024. Of the total budgetary commitments, EUR 2,5 billion was committed in 2024.*

During 2024, the Commission disbursed non-repayable support totalling EUR 55,9 billion. The main disbursements were to Germany (EUR 13,5 billion), Spain (EUR 10,9 billion), France (EUR 7,5 billion), Poland (EUR 6,8 billion) and Italy (EUR 5,5 billion).

3.3. **Disbursements of loans under the RRF (including REPowerEU)**

The total financial loan support approved under the plans amounts to EUR 290,9 billion. The whole amount is covered by signed loan agreements. At the end of 2024, the Commission had disbursed EUR 108,7 billion in financial loan support to 13 Member States:

EUR billion

Member State	Total granted	Total signed at 31.12.2024	Total disbursed at 31.12.2024	Total repaid at 31.12.2024	Total outstanding at 31.12.2024
Belgium	0,2	0,2	0,0	0,0	0,0
Croatia	4,3	4,3	0,8	0,0	0,8
Cyprus	0,2	0,2	0,0	0,0	0,0

EUR billion

Member State	Total granted	Total signed at 31.12.2024	Total disbursed at 31.12.2024	Total repaid at 31.12.2024	Total outstanding at 31.12.2024
Czechia	0,8	0,8	0,2	0,0	0,2
Greece	17,7	17,7	9,6	0,0	9,6
Hungary	3,9	3,9	0,8	0,0	0,8
Italy	122,6	122,6	75,7	0,0	75,7
Lithuania	1,6	1,6	0,8	0,0	0,8
Poland	34,5	34,5	13,5	0,0	13,5
Portugal	5,9	5,9	2,9	0,0	2,9
Romania	14,9	14,9	3,7	0,0	3,7
Slovenia	1,1	1,1	0,4	0,0	0,4
Spain	83,2	83,2	0,3	0,0	0,3
Total	**290,9**	**290,9**	**108,7**	**0,0**	**108,7**

During 2024, the Commission provided new financial loan support for an amount of EUR 29,4 billion. The main disbursements were to Italy (EUR 14,7 billion), Poland (EUR 9,0 billion), Greece (EUR 2,3 billion) and Portugal (EUR 1,2 billion). According to the loan agreements, the Member States will repay 5 % of the disbursed amounts every year, starting 10 years after the disbursement date. This results in a repayment period from 2032 to 2054 for the loans disbursed up until 31 December 2024.

3.4. **NGEU contributions to other programmes under the EU budget**

At the end of 2024, the total amount of net payments disbursed to other programmes under the MFF stood at EUR 66,9 billion. This contribution, which is net of recoveries, mainly related to REACT-EU which finances the European Regional Development Fund (ERDF) and the European Social Fund (ESF, including FEAD):

EUR billion

MFF-Programme	Total allocation	Total net commitments 31.12.2024	Total net payments 31.12.2024
REACT-EU	50,6	50,6	46,3
— *of which ERDF*	30,0	30,0	28,1
— *of which ESF (incl. FEAD)*	20,6	20,6	18,2
Just Transition Fund	10,9	10,8	6,3
Rural Development (EAFRD)	8,1	8,1	4,8
InvestEU	6,1	6,1	3,8
Horizon Europe	5,4	5,4	4,5
RescEU	2,0	2,0	1,3
Total	**83,1**	**82,9**	**66,9**

During 2024, the Commission disbursed EUR 24,6 billion in payments to other MFF programmes, Included in this amount were payments relating to REACT-EU (EUR 14,9 billion, of which EUR 7,1 billion under the ERDF and EUR 7,8 billion under the ESF, including FEAD), the Just Transition Fund (EUR 6,0 billion), Rural Development (EUR 1,5 billion), InvestEU (EUR 1,2 billion), Horizon Europe (EUR 0,6 billion), RescEU (EUR 0,3 billion).

4. **BUDGETARY CONTINGENT LIABILITIES**

In the recent years, the EU has increasingly used financial instruments (such as loans, guarantees and equity investments), as a means to implement its policies and pursue EU objectives. For example, the loans by the EU to its Member States or partner countries aim at restoring financial stability or promoting economic recovery from crisis situations. The main objective of the EU guarantee programmes is boosting investments and enhancing access to finance to address market failures in the key policy areas.

When the EU provides support in the form of loans or guarantees, it expects a high value added from its financial contribution. This is because, in contrast to traditional non-repayable methods of budget implementation such as giving grants or subsidies, for each euro spent from the EU budget the final beneficiary receives more than the nominal amount of the EU financial support due to the so-called leverage effect.

While the EU expects that expenses incurred will be lower than the amount of funding provided, the EU budget may still incur losses, when some events – that are not fully in the control of the EU – occur. This is the case for the programmes where the EU undertakes borrowings to finance loans to Member States and third countries (see Section **4.1** below) and when it issues guarantees to financial institutions (see Section **4.2** below). As losses due to non-repayment by final beneficiaries are not likely to materialise in full, the EU does not hold assets for the entirely of those potential liabilities ([1]), but only up to the level necessary to cover expected losses and a sufficient safety buffer for unexpected losses. Nevertheless, would the losses occur above the assets provisioned, they would be covered by the Member States through future EU budgets. In this sense they create 'budgetary contingent liabilities' for the EU budget.

The EU regularly monitors the sustainability of its contingent liabilities and the adequacy of the assets provisioned held in the Common Provisioning Fund (CPF) ([2]) (see **Section 4.3** below).

At the end of 2024, the EU budgetary contingent liabilities totalled EUR 408,9 billion, of which EUR 298,9 billion related to the outstanding loans to sovereigns (EUR 296,4 billion nominal and EUR 2,5 billion accrued interest) and EUR 109,9 billion to the maximum amounts (ceilings) of the guarantees issued. The assets provisioned amounted to EUR 23,4 billion.

The EU also incurs other liabilities, which are not contingent in nature, but which – due to their long-term nature – will only be financed by the Member States through future budgets. This mainly relates to the pension liability (EUR 93,1 billion as at 31 December 2024) and to the unified funding approach borrowings that financed RRF/REPowerEU grants and some other MFF programmes (EUR 264,4 billion as at 31 December 2024, see Sections **3.2** and **3.4**).

4.1. **Borrowing and lending activities**

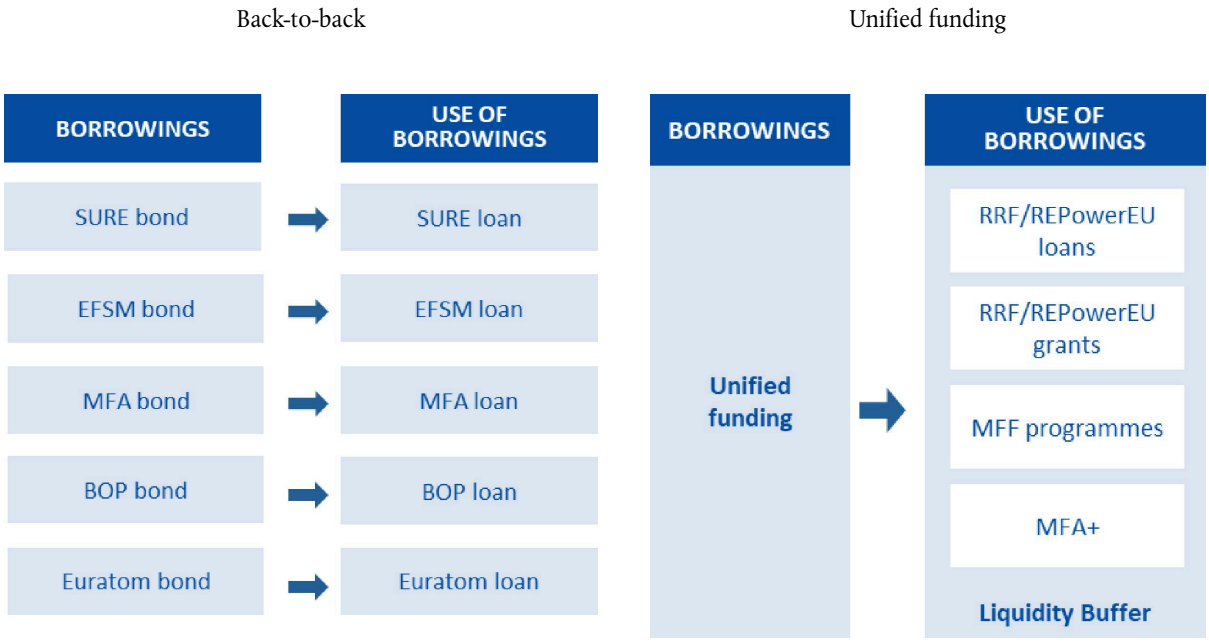
4.1.1. *Borrowing*

The Union borrows by issuing securities on the international capital markets. The EU budget, ultimately, guarantees all the Union borrowings. Until 2020, borrowings were used only to finance lending activities, see Section **4.1.2.** Following the introduction of the NGEU instrument, borrowings are now also used to finance non-repayable support, see Section **3.2.**

([1]) Except for some guarantees provided under the financial instruments programmes of previous MFFs, which were fully financed or provisioned from EU budget.

([2]) See 'Report from the Commission to the European Parliament and the Council on financial instruments, budgetary guarantees, financial assistance and contingent liabilities' issued annually by the Commission.

The funding approach



Until 2020, the Commission was following a 'back to back' approach, issuing a dedicated bond to fund a specific loan agreement. It was transferring the money directly to the beneficiary country on the same terms and conditions (interest rate, maturity). The timing, volume and maturity of bond issuances were determined by the needs of the beneficiary.

For the NGEU instrument, the Commission uses a diversified, pooled funding approach where the borrowings are not directly funding specific disbursements. Instead, the debt is issued according to semi-annual funding plans, with long term bonds and short term bills. The Commission uses auctions and syndications to issue these securities. It then passes on the costs, in line with the cost allocation methodology agreed with Member States ([3]), to the beneficiaries for the loans and to the EU budget for the non-repayable support. This pooled funding approach offers a more flexible and coherent borrowing and lending activity. It also offers better funding costs and allows the design of a better risk and compliance framework. This funding flexibility also requires a liquidity buffer for an efficient liquidity management.

Following the Regulation (EU, Euratom) 2022/2434 of the European Parliament and of the Council ([4]) in December 2022, the Commission can use this approach for all future borrowings. In this way, the Macro Financial Assistance (MFA)+ for Ukraine, the Ukraine Facility and other future lending programmes can benefit from this flexible and cost-efficient debt management, creating a unified funding approach for all EU borrowings.

During 2024, the outstanding borrowings of the EU increased by EUR 142,8 billion, bringing the nominal outstanding amount to EUR 601,3 billion at 31 December 2024. This amount includes EUR 68,2 billion of NGEU Green Bonds. These issuances are underpinned by the NGEU Green Bond Framework, which is aligned with the Green Bond Principles of the International Capital Market Association (ICMA) ([5]). Funds raised through NGEU Green Bonds, finance climate-relevant measures from the national Recovery and Resilience plans (RRPs) under the Recovery and Resilience Facility (RRF).

([3]) Commission Implementing Decision (EU) 2022/9701.
([4]) Regulation (EU, Euratom) 2022/2434 of the European Parliament and of the Council of 6 December 2022 amending Regulation (EU, Euratom) 2018/1046 as regards the establishment of a diversified funding strategy as a general borrowing method (OJ L 319, 13.12.2022, p. 1, ELI: http://data.europa.eu/eli/reg/2022/2434/oj).
([5]) European Commission, Directorate-General for Budget, Green bonds – Impact and allocation report – NGEU report 2023, Publications Office of the European Union, 2023, https://data.europa.eu/doi/10.2761/302803.

The table below shows the repayment schedule for the outstanding EU borrowings at 31 December 2024:

EUR billion

	UNIFIED FUNDING	BACK-TO-BACK BORROWINGS					TOTAL
		SURE	EFSM	MFA	BOP	Euratom	
2025	41,1	8,0	2,4	0,0	0,2	-	51,8
2026	33,0	8,0	6,2	0,1	-	-	47,4
2027	32,6	-	3,0	0,2	-	-	35,9
2028	30,6	10,0	4,1	0,2	-	-	44,9
2029	27,6	8,1	1,4	0,9	-	0,1	38,1
2030	15,4	10,0	-	0,1	-	-	25,5
2031	29,0	-	7,3	1,2	-	0,1	37,5
2032	18,4	-	3,0	0,7	-	0,1	22,1
2033	11,8	-	2,1	0,5	-	-	14,4
2034	33,1	-	0,0	0,7	-	-	33,8
2035	-	8,5	2,0	2,0	-	-	12,5
2036	-	9,0	5,8	1,3	-	-	16,1
2037	18,4	8,7	-	0,9	-	-	28,1
2038	14,3	-	1,8	0,3	-	-	16,5
2039	12,0	-	-	0,1	-	-	12,1
2040	-	7,0	-	0,5	-	-	7,5
2041	16,0	-	-	-	-	-	16,0
2042	12,0	-	3,0	2,0	-	-	17,0
2043	12,0	-	-	-	-	-	12,0
2044	12,0	-	-	-	-	-	12,0
2045	-	-	-	-	-	-	0,0
2046	-	5,0	-	-	-	-	5,0
2044	-	6,0	-	-	-	-	6,0
2048	14,0	-	-	-	-	-	14,0
2049	-	-	-	-	-	-	0,0
2050	12,0	10,0	-	-	-	-	22,0
2051	14,0	-	-	-	-	-	14,0
2052	10,9	-	-	0,5	-	-	11,4
2053	15,3	-	-	2,5	-	-	17,8
2054	10,0	-	-	-	-	-	10,0
Total	**445,7**	**98,4**	**42,0**	**14,7**	**0,2**	**0,3**	**601,3**

The 'unified funding' finances the NGEU loans and non-repayable support as well as the Ukraine Facility and MFA loans signed as of 2023.

4.1.2. *Lending*

The Commission provides bilateral loans in accordance with decisions of the European Parliament and of the Council. In 2024, the Commission, acting on behalf of the EU, operates seven main programmes under which it may grant loans:

— SURE assistance (Support to mitigate Unemployment Risks in an Emergency);

— European Financial Stabilisation Mechanism (EFSM) assistance;

— Macro-Financial Assistance (MFA);

— Balance of Payments (BOP) assistance;

— Euratom;

— Ukraine Facility; and

— NGEU (RRF and REPowerEU) see Section **3.3.**

At 31 December 2024, the nominal amount of the loans, were:

EUR billion

	Total signed	Total undrawn at year-end	Total disbursed at year-end	Outstanding at year-end
SURE				
Belgium	8,2	-	8,2	8,2
Bulgaria	1,0	-	1,0	1,0
Croatia	1,6	-	1,6	1,6
Cyprus	0,6	-	0,6	0,6
Czechia	4,5	-	4,5	4,5
Estonia	0,2	-	0,2	0,2
Greece	6,2	-	6,2	6,2
Hungary	0,7	-	0,7	0,7
Ireland	2,5	-	2,5	2,5
Italy	27,4	-	27,4	27,4
Latvia	0,5	-	0,5	0,5
Lithuania	1,1	-	1,1	1,1
Malta	0,4	-	0,4	0,4
Poland	11,2	-	11,2	11,2
Portugal	6,2	-	6,2	6,2
Romania	3,0	-	3,0	3,0
Slovakia	0,6	-	0,6	0,6
Slovenia	1,1	-	1,1	1,1
Spain	21,3	-	21,3	21,3
	98,4	-	**98,4**	**98,4**

EUR billion

	Total signed	Total undrawn at year-end	Total disbursed at year-end	Outstanding at year-end
EFSM				
Ireland	22,5	-	22,5	19,7
Portugal	24,3	-	24,3	22,3
	46,8	-	**46,8**	**42,0**
MFA				
Albania	0,2	-	0,2	0,2
Armenia	0,1	-	0,1	0,1
Bosnia Herzeg.	0,3	-	0,3	0,1
Georgia	0,1	-	0,2	0,1
Jordan	1,1	-	1,1	1,1
Kosovo	0,1	-	0,1	0,1
Kyrgyz Rep.	0,0	-	0,0	0,0
Moldova	0,4	0,0	0,4	0,4
Montenegro	0,1	-	0,1	0,1
North Macedonia	0,3	0,1	0,2	0,2
Serbia	0,2	-	0,2	0,0
Tunisia	1,4	-	1,4	1,4
Ukraine MFA	12,2	-	12,2	11,0
Ukraine MFA+	18,0	-	18,0	18,0
Ukraine MFA ULCM	18,1	18,1	-	-
Egypt	1,0	-	1,0	1,0
	53,6	**18,2**	**34,9**	**33,7**
BOP				
Latvia	2,9	-	2,9	0,2
	2,9	-	**2,9**	**0,2**
Euratom				
Energoatom, K2R4 Ukraine	0,4	-	0,4	0,3
	0,4	-	**0,4**	**0,3**
Ukraine Facility	**33,0**	**19,9**	**13,1**	**13,1**
NGEU loans	**290,9**	**182,2**	**108,7**	**108,7**
Total	**526,0**	**220,3**	**305,2**	**296,4**

SURE

SURE was established in 2020 to provide financial assistance to Member States who were experiencing, or were seriously threatened with, a severe economic disturbance caused by the COVID-19 pandemic. The instrument complements the national measures taken by affected Member States.

The availability of the instrument ended at 31 December 2022 and there are no pending disbursements. The maturity of loans varies between 5 and 30 years.

EFSM

EFSM was created to provide financial assistance to all Member States experiencing or seriously threatened by a severe economic financial disturbance caused by exceptional occurrences beyond their control. This programme has expired and no additional loans can be drawn, except for specific tasks such as the lengthening of maturities of existing loans. Portugal requested the maturity extention of EUR 1,8 billion due in 2024. The new loan was financed by a long-term bond maturing in 2028.

MFA

The MFA programme is a form of financial assistance extended by the EU to partner countries outside the EU experiencing a balance of payments crisis. It takes the form of medium/long-term loans or grants, or a combination of these, and is only available to countries benefiting from an International Monetary Fund (IMF) programme.

Ukraine

In 2022 the European Parliament and the Council agreed three packages of financial assistance for Ukraine ([6]), totalling EUR 7,2 billion, to strengthen the immediate resilience of the country subsequent to Russia's unprovoked and unjustified war of aggression. All the loans had been disbursed to Ukraine by the end of 2022. The maturity of these loans to Ukraine varies between 10 to 30 years.

To continue the EU support for Ukraine, a new package of financial assistance of EUR 18 billion was adopted by the European Parliament and the Council on 14 December 2022 (Regulation (EU) 2022/2463 of the European Parliament and Council ([7])). The Commission and Ukraine signed a Memorandum of Understanding and a Loan Facility Agreement in early 2023 and the EUR 18 billion was disbursed in 2023. The MFA+ loans are funded through the unified funding approach, whereas all previous MFA loans were funded under the back-to-back funding approach.

In October 2024, the EU adopted a new MFA for Ukraine and the Ukraine Loan Cooperation Mechanism (ULCM) ([8]). Under the ULCM, extraordinary revenues from immobilised Russian sovereign assets will be used to grant non-repayable support to Ukraine to assist the country in repaying new bilateral loans provided by the G7 partners and the EU under this initiative. Consequently, the EU signed a new MFA loan agreement with Ukraine in December 2024 for an amount of EUR 18,1 billion to be disbursed in 2025. Until May 2025, the Commission had disbursed EUR 6 billion.

During 2024 Ukraine has timely repaid EUR 600 million of previous MFA loans granted by EU. At the end of 2024, the total MFA loans outstanding to Ukraine amounted to EUR 29,0 billion (nominal amount).

([6]) Decision (EU) 2022/313 of the European Parliament and the Council of 24 February 2022 providing macro-financial assistance to Ukraine (OJ L 55, 28.2.2022, p. 4, ELI: http://data.europa.eu/eli/dec/2022/313/oj), for EUR 1,2 billion providing emergency assistance to Ukraine, Decision (EU) 2022/1201 of the European Parliament and the Council of 12 July 2022 providing exceptional macro-financial assistance to Ukraine (OJ L 186, 13.7.2022, p. 1, ELI: http://data.europa.eu/eli/dec/2022/1201/oj), for EUR 1,0 billion providing exceptional assistance to Ukraine, Decision (EU) 2022/1628 of the European Parliament and the Council of 20 September 2022 providing exceptional macro-financial assistance to Ukraine, reinforcing the common provisioning fund by guarantees by Member States and by specific provisioning for some financial liabilities related to Ukraine guaranteed under Decision No 466/2014/EU, and amending Decision (EU) 2022/1201 (OJ L 245, 22.9.2022, p. 1, ELI: http://data.europa.eu/eli/dec/2022/1628/oj), for EUR 5,0 billion providing exceptional assistance to Ukraine.

([7]) Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022 establishing an instrument for providing support to Ukraine for 2023 (macro-financial assistance +) (OJ L 322, 16.12.2022, p. 1, ELI: http://data.europa.eu/eli/reg/2022/2463/oj).

([8]) Regulation (EU) 2024/2773 of the European Parliament and of the Council of 24 October 2024 establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine (OJ L, 2024/2773, 28.10.2024, ELI: http://data.europa.eu/eli/reg/2024/2773/oj).

Ukraine Facility

On 29 February 2024, the European Parliament and the Council adopted Regulation (EU) 2024/792 establishing the Ukraine Facility ([9]). This new instrument covers the years 2024 to 2027 and offers up to EUR 50 billion in financial support to Ukraine, including up to EUR 33 billion of sovereign loans. By 31 December 2024, EUR 13,1 billion of loans have been disbursed to Ukraine. The Ukraine Facility sovereign loans are funded through borrowings following the unified funding approach.

BOP

The BOP is an assistance programme designed for Member States outside the euro area that are experiencing or are threatened by difficulties regarding their balance of payments. BOP assistance takes the form of medium-term loans that are conditional on the implementation of policies designed to address underlying economic problems. Typically, BOP assistance from the EU is offered in cooperation with the IMF and other international institutions or countries. No new operations or loan repayments occurred in 2024. The programme is expected to end in 2025 when the outstanding loan and the related borrowing are maturing.

Euratom

The European Atomic Energy Community lends money to both Member States and non-Member States, and to entities of both, to finance projects relating to energy installations.

Liquidity buffer

Under the unified funding strategy, a certain amount of proceeds from borrowings are kept in a bank account with the European Central Bank. This liquidity buffer ensures that sufficient funds are available to meet all upcoming disbursments needs while avoiding excess balances. In managing this liquidity buffer the Commission takes into account expected disbursment needs and the opportunity costs of cash balances. At year-end 2024 the funds held in the bank account amounted to EUR 33,9 billion.

4.1.3. *System of protection*

Borrowings of the EU constitute direct and unconditional obligations of the EU and are guaranteed by the EU Member States. The borrowings undertaken to finance loans are intended to be repaid through timely collection of the principal and interest due on those loans. Nevertheless, should a beneficiary country default on or delay their repayments, there are number of safeguards to ensure service of the EU debt, which are summarised in the table below. In the short term, the borrowings will be repaid from the available treasury balance of the Commission. Next, borrowings related to the loans to third countries (except for MFA+ and Ukraine Facility loans) will be repaid from the assets held in the CPF, while in case of the MFA+, Ukraine Facility loans and loans to Member States, the Commission may call additional resources from the Member States up to the available own resources margin ('budgetary headroom'). For some programmes, there are also guarantees provided by the Member States. As a consequence, investors are only exposed to the credit risk of the EU, not to that of the beneficiary of the loans.

EU programme funded by borrowing	System of protection
NGEU (RRF and REPowerEU)	Budgetary headroom under the temporary own resources ceiling of the EU budget – an extra 0,6 % of EU GNI above the own resources ceiling of the EU budget of 1,4 % of EU GNI
SURE	Guarantee provided by all EU Member States (25 %) + budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
EFSM	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI

([9]) Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility (OJ L, 2024/792, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/792/oj).

EU programme funded by borrowing	System of protection
BOP	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
MFA (standard)	Common Provisioning Fund (9 % of the loan to the third country)
Exceptional MFA to Ukraine	Common Provisioning Fund (9 %) + guarantees by all EU Member States (61 %)
MFA+ to Ukraine	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
Ukraine Facility	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
Euratom loans to third countries (state-owned entities)	Common Provisioning Fund (9 % of the loan) and counter-guarantees by third countries
Euratom loans to Member States	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI

4.2. **Budgetary guarantees**

Under this type of budget implementation, the EU provides guarantees to financial institutions (implementing partners) for their financing (lending) and investment (equity) operations to pursue its policy objectives.

The EU has issued guarantees under the following programmes:

— External lending mandate (ELM) guarantees granted to the European Investment Bank (EIB) for their lending operations outside EU, mainly to sovereign and sub sovereign beneficiaries;

— European Fund for Strategic Investment (EFSI) guarantee granted to the EIB Group for their operations supporting additional investment in the EU and access to finance for SMEs;

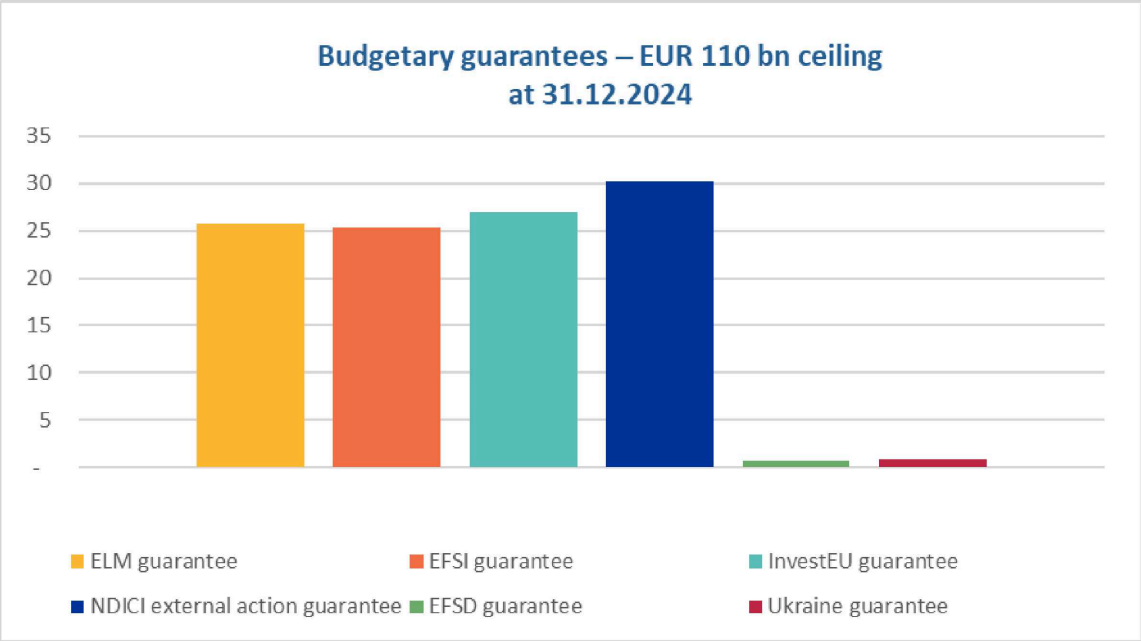
— InvestEU guarantee provided to the EIB Group, the European Bank for Reconstruction and Development and several financial partners in the EU Member States, in order to mobilise private investments for the green and digital transition, innovation and social investments and skills. The InvestEU guarantee may be increased by EFTA and Member States contributions and counter guarantees;

— External Action Guarantee under NDICI Regulation providing guarantees both to the EIB, for their financing and investments outside Europe, both to the public and private sector beneficiaries, as well as to several other counterparts, with the objective of promoting sustainable investments in the EU's partner countries;

— European Fund for Sustainability Development (EFSD) guarantee issued to several counterparties with the aim to support investments in Africa and in the European Neighbourhood countries;

— Ukraine Guarantee issued under the Ukraine Facility regulation to several counterparties to boost investments for the recovery and reconstruction of Ukraine.

As at 31 December 2024, the nominal outstanding amount of those guarantees at the maximum level granted to those financial institutions amounted to EUR 109,9 billion, of which EUR 72,6 billion relates to financing or investment operations signed by the implementing partners (InvestEU, NDICI and Ukraine guarantees are still in the investment period, during which the partners can include new operations under the guarantee).



The Member States and EEA countries may also contribute to the InvestEU programme. Until 31 December 2024, the EU signed contribution agreements with those countries for EUR 2,8 billion, out of which EUR 2,2 billion relates to cash contributions and EUR 0,6 billion to counter-guarantees.

4.3. **Common Provisioning Fund**

In order to satisfy any guarantee calls to cover losses incurred by the implementing partners in a timely manner, the EU provisions amounts from the budget. As of 2021, all assets provisioned are held in the CPF, which functions as a single portfolio, with assets mainly invested in the debt securities. Currently, it combines provisioning for all the EU budgetary guarantees and some financial assistance programmes. The resources of the CPF are allocated into compartments for the purpose of tracing the amounts relating to the contributing budgetary guarantees and financial assistance programmes.

At 31 December 2024, the Commission holds EUR 23,2 billion net assets in the CPF for the following compartments:

— Guarantee Fund for external actions – EUR 3,2 billion (covering ELM guarantees as well as pre-2021 MFA and Euratom loans to third countries)

— EFSI – EUR 8,9 billion

— EFSD – EUR 0,8 billion

— InvestEU compartments – EUR 6,8 billion (including Member State and EEA countries cash contributions)

— NDICI EFSD+ – EUR 2,9 billion

— Ukraine Guarantee – EUR 0,2 billion

— MFA loans post-2020 – EUR 0,1 billion

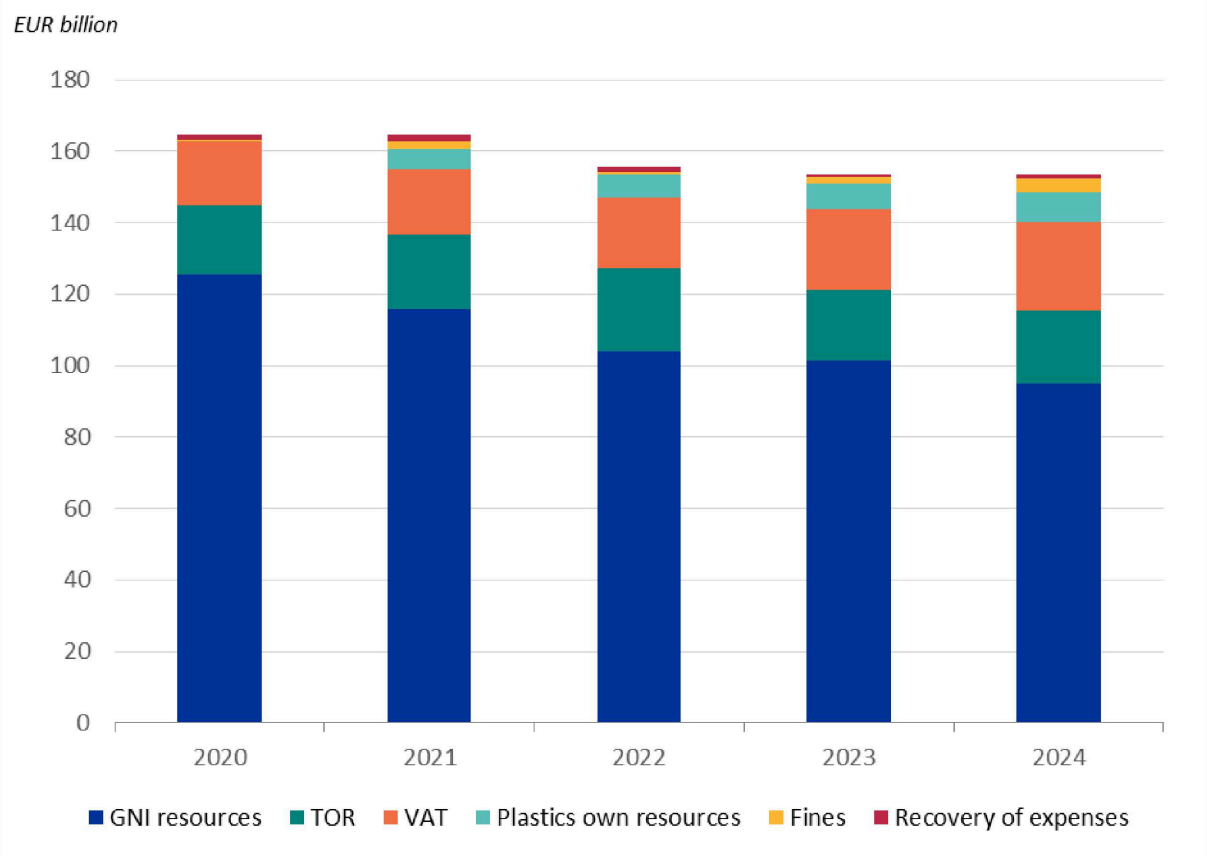
— MFA Ukraine loans – EUR 0,3 billion

5. FINANCIAL STATEMENTS ANALYSIS

5.1. Revenue

The consolidated revenue of the EU incorporates amounts related to exchange transactions and non-exchange transactions, the latter being the most significant. The five-year trend of the main non-exchange revenue categories (comprising GNI resources, Traditional own resources, VAT resources, Plastics own resources, Fines and Recovery of expenses) is as follows:

Five-year trend of revenue from main non-exchange transactions*



* *2020 to 2024 figures: excluding revenue relating to the UK's withdrawal from the EU.*

As budget revenue should equal (or exceed) budget expenditure, the main driver in the revenue trend shown above is the payments made each year.

Main developments in 2024

In 2024, total revenue, comprising all revenue categories, amounted to EUR 175,7 billion, compared to EUR 171,9 billion in the previous year, The main developments explaining the increase of EUR 3,8 billion or 2,2 % were:

— Fines related revenue increased by EUR 2,3 billion mainly due to fines issued to companies for breaches of EU competition rules;

— Financial revenue increased by EUR 2,0 billion mainly due to increased interest earned;

— VAT contributions have increased from EUR 22,5 billion in 2023 to EUR 24,5 billion in 2024;

— Plastics own resources increased from EUR 7,2 billion in 2023 to EUR 8,2 billion in 2024;

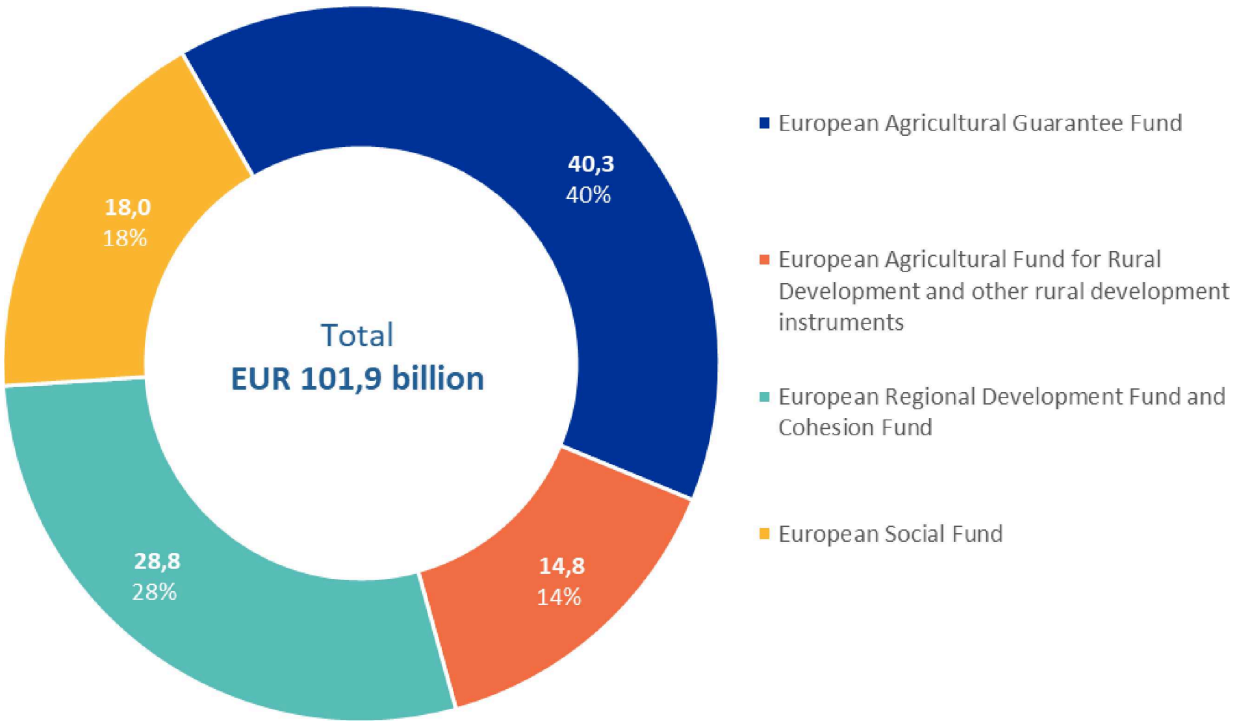
— Traditional own resources increased from EUR 19,8 billion in 2023 to EUR 20,6 billion in 2024; and

— Revenue from GNI (gross national income), the primary element of the EU's operating revenue, decreased from EUR 101,3 billion in 2023 to EUR 95,0 billion in 2024, The decrease of EUR 6,3 billion or 6,2 %, partially offsetting the other movements in revenue described above, is explained to a great extent by a reduction of the payment appropriations needs.

5.2. **Expenses**

The main component of expenses recognised in the consolidated financial statements are expenses under the shared management mode, which includes the following funds: (i) European Agricultural Guarantee Fund (EAGF); (ii) European Agricultural Fund for Rural Development (EAFRD) and other rural development instruments; (iii) European Regional Development Fund (ERDF) & Cohesion Fund (CF); and (iv) European Social Fund (ESF). These funds made up EUR 101,9 billion or 37,3 % of the total expenses of EUR 272,9 billion incurred in 2024 (2023: EUR 125,4 billion, 51,5 % of the total expenses). The split of expenses under the shared management mode and their relative weights are presented below:

Main expenses under the shared management mode for the financial year 2024



The decrease of expenses under the shared management mode is mainly due to decreased expenses relating to the ERDF and Cohesion Fund (by EUR 23,6 billion) as the implementation of the programmes of the former MFF is now in its final stage.

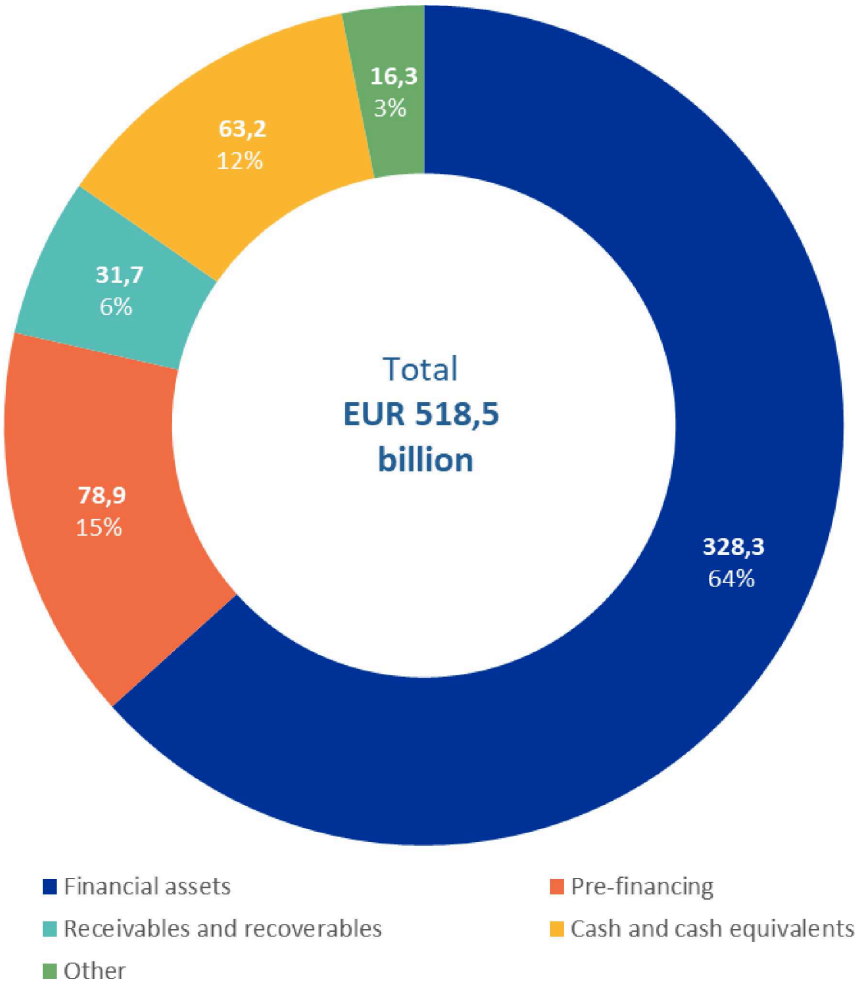
Expenses under the direct management mode, which represents budget implementation by the Commission, executive agencies and trust funds, increased from EUR 61,9 billion in 2023 to EUR 99,0 billion in 2024, The increase of EUR 37,1 billion is mainly due to the non-repayable support granted under the NGEU's RRF, which amounted to EUR 65,8 billion (2023: EUR 36,0 billion) as Member States use the funds provided and milestones are achieved.

Expenses under the indirect management mode represent the budget implementation by EU agencies, EU bodies, third countries, international organisations and other entities. In 2024, the expenses under the indirect management mode amounted to EUR 16,6 billion (2023: EUR 15,2 billion). The increase is mainly due to the increased expenses in external actions.

5.3. **Assets**

As at 31 December 2024 total assets amounted to EUR 518,5 billion (2023: EUR 467,7 billion) – the increase is mainly due to further lending under the NGEU instrument and new loans issued to Ukraine under the Ukraine Facility. The most significant assets on the EU balance sheet were financial assets other than cash and cash equivalents (EUR 328,3 billion), pre-financing (EUR 78,9 billion), receivables and recoverables (EUR 31,7 billon) and cash and cash equivalents (EUR 63,2 billion). Other assets, amounting to EUR 16,3 billion, mainly included property, plant and equipment and intangible assets.

Composition of assets at 31 December 2024



The increase in total assets of EUR 50,7 billion or 10,8 % from the previous year was mainly due to the following effects:

— Loans outstanding increased from EUR 246,9 billion in 2023 to EUR 283,6 billion in 2024, The increase of EUR 36,7 billion or 14,9 % mainly reflects the issuance of further loans to Member States under the RRF and REPowerEU (EUR 29,4 billion) and new loans under the Ukraine Facility and MFA programmes (EUR 13,1 billion and EUR 1,1 billion respectively), offset by EFSM and MFA repayments of EUR 1,4 billion and impairments on the new Ukraine loans (EUR 5,7 billion);

— Total pre-financing decreased from EUR 91,7 billion in 2023 to EUR 78,9 billion in 2024, This is linked mainly to the significant decrease of EUR 18 billion in ERDF, CF & ESF pre-financing of the previous programming period as the period is reaching its closure stage and higher amounts are cleared, There was additionally a considerable decrease of EUR 3,8 billion in the non-repayable financial support granted under the RRF due to clearings that took place during the year following Member States reaching milestones and targets;

— Cash and cash equivalents increased from EUR 39,6 billion in 2023 to EUR 63,2 billion in 2024, The increase of EUR 23,6 billion or 59,6 % is mainly due to the higher liquidity buffer relating to the unified funding (EUR 12,5 billion held in the European Central Bank account in 2023 versus EUR 33,9 billion at the end of 2024), which resulted from high level of disbursements planned for the beginning of 2025; and

— Receivables and recoverables decreased from EUR 35,2 billion to EUR 31,7 billion, The decrease of EUR 3,5 billion or 9,9 % is mainly due to the decrease in the net amount owed by the UK under the Withdrawal Agreement – see below.

UK withdrawal from the EU

On 31 January 2020, the United Kingdom withdrew from the European Union. The terms of its departure are set out in an Agreement on the withdrawal of the UK from the EU and the European Atomic Energy Community, also known as the 'Withdrawal Agreement' or 'WA'. As part of this deal, the UK agreed to honour all financial obligations undertaken while it was a member of the EU. The Agreement entered into force on 31 January 2020. Under the Withdrawal Agreement, the UK will continue to contribute to the EU budget and to benefit from pre-2021 EU programmes and expenditure as if it was a Member State. The UK will also receive back certain specified sums it paid into the EU budget or monies received by the EU budget linked to its period of membership. The EU reports twice a year to the UK on the amounts due and the UK pays these on a monthly basis. The reporting is updated each year based on actual figures.

The obligations under the Withdrawal Agreement create liabilities and receivables for the EU which have to be calculated and reflected in the EU's annual accounts. They cover in particular the following areas:

— own resources (Article 136)

— outstanding commitments (Article 140)

— competition fines (Article 141)

— Union Liabilities (Article 142)

— contingent financial liabilities and financial instruments (Articles 143 & 144)

— net assets of the European Coal & Steel Community (Article 145)

— EU investment in the European Investment Fund, EIF (Article 146)

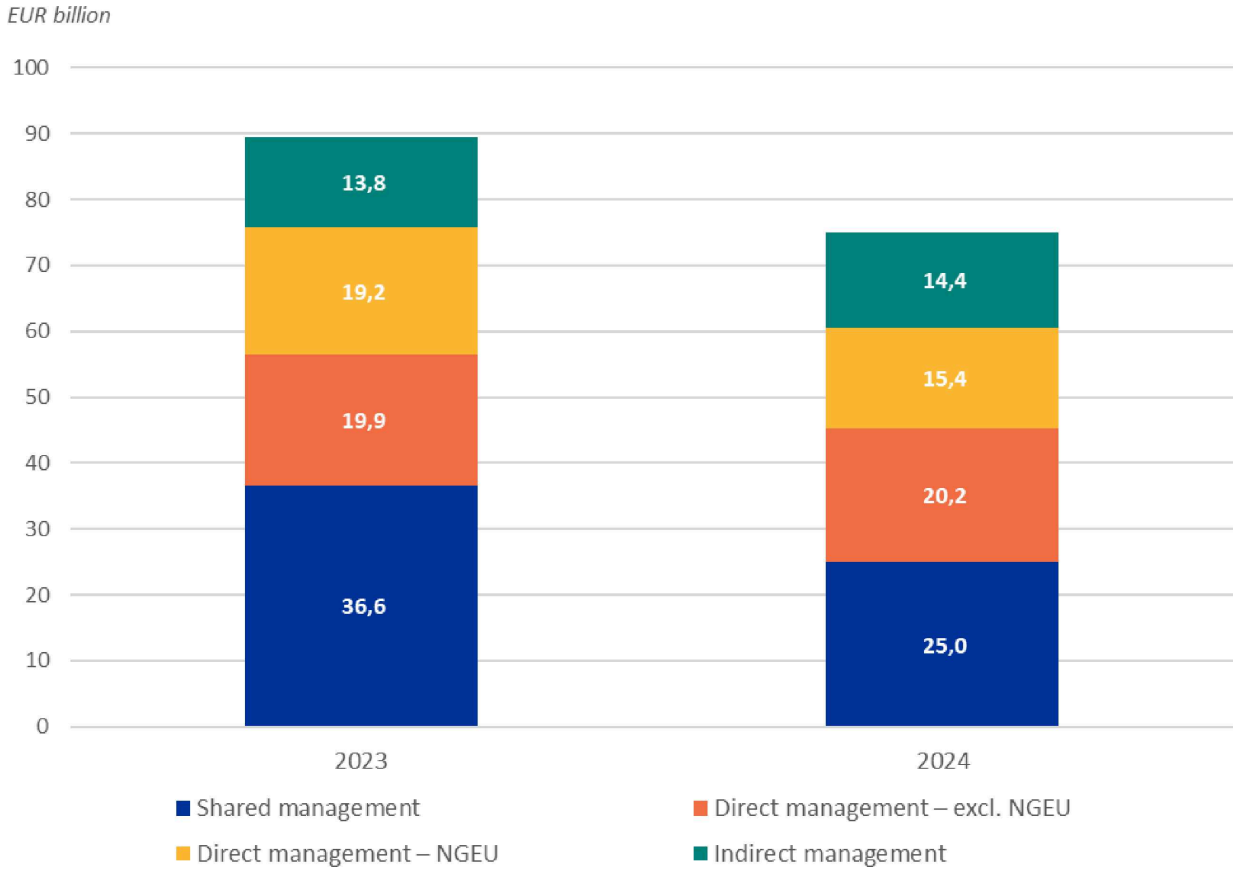
— contingent liabilities concerning legal cases (Article 147).

	Article 140	Article 142	Other	31.12.2024	31.12.2023
Due from the UK	*4 432*	*10 136*	*116*	*14 683*	*18 867*
Due to the UK	-	–	*(1 922)*	*(1 922)*	*(3 394)*
Total	**4 432**	**10 136**	**(1 806)**	**12 762**	**15 473**
Non-current	*2 469*	*9 802*	*(1 040)*	*11 231*	*13 088*
Current	*1 963*	*334*	*(766)*	*1 530*	*2 385*

Pre-financing

In 2024, pre-financing, excluding other advances to Member States and contributions to the trust funds Bêkou and Africa, amounted to EUR 75,1 billion (2023: EUR 89,4 billion), almost all of which related to Commission activities. The decrease of EUR 14,3 billion or 16,0 % is mainly related to the decrease of pre-financing related to shared management from EUR 36,6 billion in 2023 to EUR 25,0 billion in 2024, as programmes of the previous MFF advance further in their closure stage:

Commission pre-financing by management mode

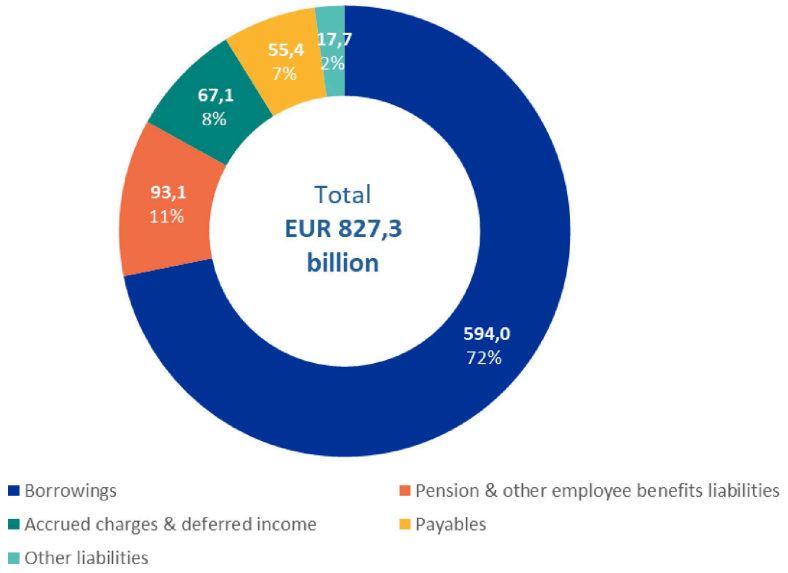


The level of pre-financing granted under MFF programmes is significantly influenced by the respective MFF cycle – for example at the beginning of an MFF period large advances are expected to be paid to Member States under cohesion policy and these amounts remain available to Member States until the closure of the programmes. An annual pre-financing is also paid out, which must be used within the year or be recovered the following year as part of the annual closure of the accounts cycle. The Commission makes every effort to ensure that pre-financing is maintained at an appropriate level. A balance has to be struck between ensuring sufficient funding for projects and the timely recognition of expenditure.

5.4. **Liabilities**

As at 31 December 2024 the total liabilities were EUR 827,3 billion (2023: EUR 679,8 billion) – the increase is driven mainly by the borrowings taken out in 2024 under the unified funding approach. The most significant liabilities were borrowings for NGEU and financial assistance (EUR 594,0 billion), pension obligations and other post-employment benefits liabilities (EUR 93,1 billion), accrued charges and deferred income (EUR 67,1 billion) and payables to third parties (EUR 55,4 billion).

Composition of liabilities at 31 December 2024



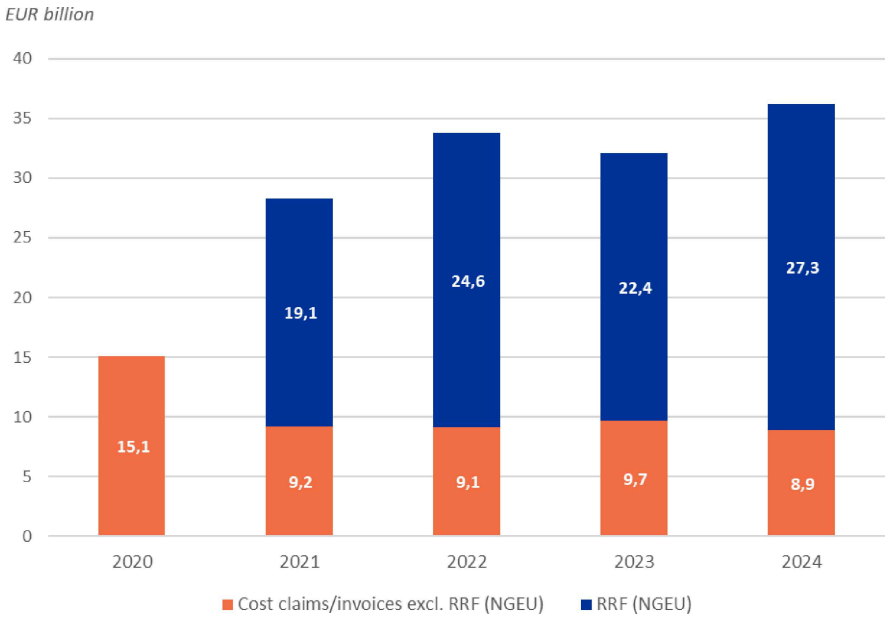
The increase of EUR 147,5 billion or 21,7 % over the previous year was mainly due to the following effects:

— Borrowings increased from EUR 450,6 billion in 2023 to EUR 594,0 billion in 2024, The increase of EUR 143,4 billion or 31,8 % mainly relates to the new issuances under the unified funding approach (for NGEU and the Ukraine Facility), net of repayments and changes in carrying amount, of EUR 144,9 billion, less EFSM and MFA repayments of EUR 1,4 billion;

— Accrued charges and deferred income decreased from EUR 76,8 billion in 2023 to EUR 67,1 billion in 2024, The decrease of EUR 9,7 billion or 12,6 % mainly relates to the ERDF & CF; and

— Payables increased from EUR 50,5 billion in 2023 to EUR 55,4 billion in 2024, The increase of EUR 4,9 billion or 9,7 % is primarily related to RRF (increase of EUR 4,9 billion);

Total cost claims and invoices received and recognised in the Balance Sheet under the heading 'Payables'



5.5. **Net assets**

The excess of liabilities over assets at 31 December 2024 stood at EUR 308,8 billion (2023: EUR 212,2 billion). It should be noted that this excess of liabilities over assets does not mean that the EU institutions and bodies are in financial difficulties, rather it means that certain liabilities will be funded by future annual budgets. Many expenses are recognised under accrual accounting rules in the current year although they may be actually paid in following years and funded using future budgets; the revenues related to these future fundings will only be accounted for in future periods. Apart from the borrowings under the unified funding approach, which are to be repaid up to 2054, and the employee benefits liability, which is to be paid over several decades, the most significant amounts are for activities relating to the EAGF, the bulk of which is usually paid in the first quarter of the following year.

6. **SUMMARY OF BUDGET IMPLEMENTATION**

6.1. **Revenue**

In the initial adopted EU budget, signed by the President of the European Parliament on 22 November 2023, total payment appropriations amounted to EUR 142 630 million and the amount to be financed by own resources totalled EUR 136 499 million. The revenue and expenditure estimates in the initial budget are typically adjusted during the budgetary year by way of 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 2024, five amending budgets were adopted. Taking them into account, the final adopted revenue for 2024 amounted to EUR 149 744 million and the total financed by own resources amounted to EUR 141 170 million. The main factor for that increase of Member States' contributions in 2024 was the increase of payment appropriations.

Title 1 : Own resources

The collection of traditional own resources was very close to the forecasted amounts in the budget.

Member States' final VAT, GNI and Plastics payments corresponded 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 drawing up the budget and the rates in force at the time when the Member States outside the euro area actually made their payments.

Title 2 : Surpluses, balances and adjustments

The surplus of the previous financial year amounted to EUR 633 million. This amount was inscribed in the budget 2024 through an amending budget and the own resources contributions from the Member States was reduced accordingly.

For the VAT and GNI balances, the rules are set out in Article 10b of the Making Available Regulation (Council Regulation (EU, Euratom) No 609/2014 ([10])). In the case of the Plastics balances the rules are stipulated in Article 9 of the Plastics Making Available Regulation (Council Regulation (EU, Euratom) 2021/770 ([11])).

According to these rules the total sum of the balances are calculated in order for the impact on the EU budget to be zero ('netting system') and the procedure does not entail a budgetary amendment. The Commission therefore directly requests the Member States to pay the net amounts in accordance with the rules of the Making Available Regulation.

([10]) Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (Recast) (OJ L 168, 7.6.2014, p. 39, ELI: http://data.europa.eu/eli/reg/2014/609/oj).

([11]) Council Regulation (EU, Euratom) 2021/770 of 30 April 2021 on the calculation of the own resource based on plastic packaging waste that is not recycled, on the methods and procedure for making available that own resource, on the measures to meet cash requirements, and on certain aspects of the own resource based on gross national income (OJ L 165, 11.5.2021, p. 15, ELI: http://data.europa.eu/eli/reg/2021/770/oj).

Title 3 : Administrative revenue

This title comprises mainly revenue from taxes and levies on the remuneration of staff.

Title 4 : Financial revenue, default interest and fines

The main part corresponds to the fines in connection with the implementation of the rules on competition.

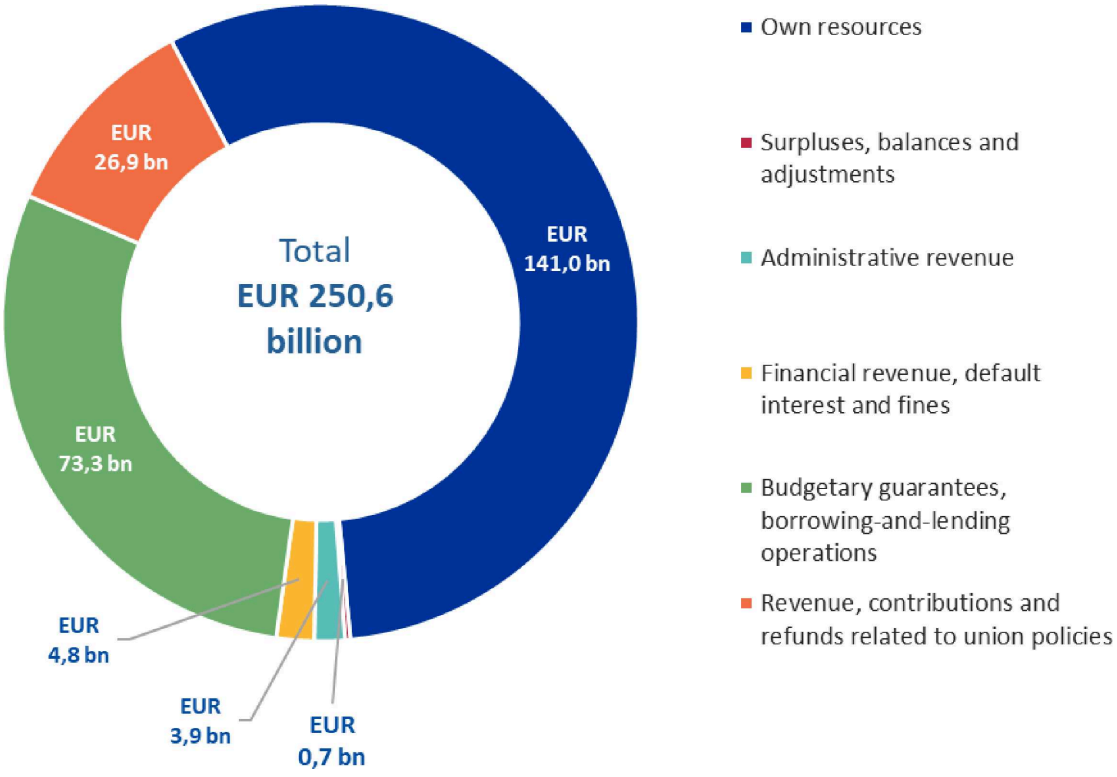
Title 5 : Budgetary guarantees, borrowing and lending operations

This title has increased significantly with the advent of the NGEU. NGEU funds within this title are assigned revenue. Title 5 covers revenue related to guarantees and interest and repayments of loans granted. It also channels funds (for the NGEU non-repayable support under the Recovery and Resilience Facility and for reinforcement of MFF programmes) from assigned revenue that Member States receive under the European Union Recovery Instrument (EURI).

Title 6 : Revenue, contributions and refunds related to Union policies

This title concerns mainly revenue from financial corrections related to structural and agricultural funds (ESIF, EAGF and EAFRD). It also includes the participation of third countries in research programmes, the clearance of accounts in agricultural funds and other contributions and refunds to EU programmes/activities. A substantial part of this total is made up of assigned revenue, which gives rise to the entering of additional appropriations on the expenditure side.

Total 2024 budget revenue amounted to EUR 250 609 million:



6.2. **Expenditure**

6.2.1. *Budget implementation*

In 2024, the fourth year of the MFF 2021-2027, the final adopted budget amounted to EUR 195,3 billion of commitment appropriations and EUR 149,7 billion of payment appropriations. In addition, EUR 31,1 billion of commitment appropriations were available as assigned revenue, out of which EUR 0,7 billion related to the NGEU ([12]), and EUR 1,3 billion of commitment appropriations were carried over from 2023. The payment appropriations related to 2024 assigned revenue amounted to EUR 122,9 billion, out of which EUR 79,0 billion related to the NGEU and EUR 3,2 billion of payment appropriations were carried over from 2023.

Active monitoring of budget implementation and good cooperation between the European Parliament, the Council and the Commission brought about full implementation of the budget.

The implementation of the total commitment appropriations in 2024 amounted to EUR 213,7 billion:

— EUR 193,1 billion from the final adopted budget;

— EUR 0,9 billion from appropriations carried-over or made available again from 2023;

— EUR 19,7 billion from appropriations stemming from assigned revenue;

    — of which EUR 0,5 billion from NGEU.

The implementation of the total payment appropriations in 2024 amounted to EUR 247,0 billion:

— EUR 146,1 billion from the final adopted budget;

— EUR 2,7 billion from appropriations carried-over or made available again from 2023;

— EUR 98,2 billion from appropriations stemming from assigned revenue;

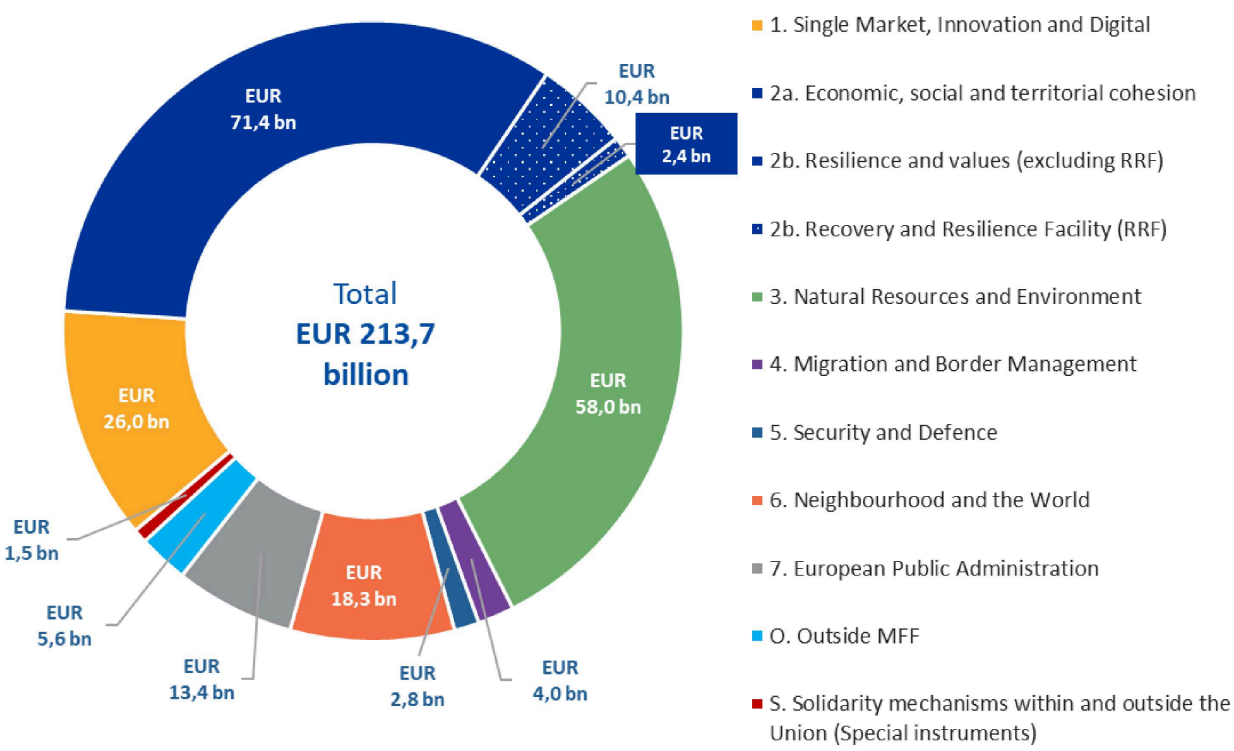
    — of which EUR 73,1 billion from NGEU.

In cases allowed by the Financial Regulation and/or legal bases, the appropriations of the voted budget that were not implemented in 2024 were carried over to 2025: EUR 1,4 billion of commitment appropriations and EUR 3,8 billion of payment appropriations.

Likewise, EUR 11,1 billion of commitment appropriations of assigned revenue and EUR 24,7 billion of payment appropriations of assigned revenue were carried over to 2025 in accordance with the Financial Regulation.

Total 2024 commitment appropriations implementation per MFF 2021-2027 heading were as shown below:

([12]) For a comprehensive overview of the NextGenerationEU (NGEU), please see also Sections 2.2 and 2.3 above.



The 2024 implementation for all types of appropriations (budget, carry-overs from previous year and assigned revenue) was 94 % for commitments and 90 % for payments. Implementation rates including the appropriations carried over to 2025 (in accordance with the Financial Regulation and/or legal bases) reached 99,6 % for commitment appropriations and 100 % for payment appropriations of the voted budget for 2023.

The NGEU appropriations were inscribed in full in 2021, i.e. EUR 421,1 billion in commitment appropriations. 2023 was the last year for which the related legal commitments could be entered into.

In 2024, the NGEU payment appropriations amounted to EUR 76,6 billion and the implementation reached 95,4 %. The remaining amount of EUR 3,5 billion of payment appropriations was carried over to 2025.

6.2.2. *Commitment appropriations definitively cancelled*

Under the Conditionality Regulation decommitments for a total of EUR 1 044 million (of which EUR 30 million under NGEU) were posted in the course of 2022 on commitments related to Hungary. By the end of 2024 the related commitment appropriations could not be reconstituted and were definitively cancelled.

6.2.3. *Outstanding commitments*

Outstanding commitments (commonly referred to as RAL – reste à liquider), which correspond to amounts committed but not yet paid for, stood at EUR 507,4 billion at the end of 2024. The outstanding commitments decreased as compared to 2023 (by EUR 35,6 billion).

The main driver of the 2024 decrease of the RAL was the NGEU (non-repayable part) implementation, contributing EUR 166,3 billion (33 %) to the total RAL at the end of 2024. Because the NGEU appropriations are to be committed until 31 December 2023 and paid by 31 December 2026, in accordance with the Articles 3(4) and 3(9) of the EURI Regulation, the trend of nominally growing RAL linked to NGEU has reversed in 2024.

6.2.4. *Budget result*

The budget result (surplus) increased from EUR 0,6 billion in 2023 to EUR 1,3 billion in 2024. The 2024 budget result is mainly impacted by the overimplementation of budgetary revenue on Title 4 – Financial revenue, default interest and fines.

7. EU POLITICAL AND FINANCIAL FRAMEWORK, GOVERNANCE AND ACCOUNTABILITY

The European Union (EU) is a Union on which the Member States confer competences to attain objectives they have in common. The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

7.1. Political and financial framework

EU Treaties

The overarching objectives and principles that guide the Union and the European institutions are defined in the Treaties. The Union and the EU institutions may only act within the limits of the competences conferred by the Treaties so as to attain the objectives set out therein and must do this in accordance with the principles ([13]) of subsidiarity and proportionality. In order to attain its objectives and carry out its policies, the Union provides itself with the necessary financial means. The Commission is responsible for promoting the general interest of the Union which includes executing the budget and managing programmes in cooperation with the Member States and in accordance with the principle of sound financial management.

The EU pursues the objectives established by the Treaty with various instruments, one of which is the EU budget. Others are, for example, a common legislative framework or joint policy strategies.

Multiannual financial framework and spending programmes

The policies supported by the EU budget are implemented in accordance with the multiannual financial framework (MFF) and corresponding sectoral legislation defining spending programmes and instruments. These translate the EU's political priorities into financial terms over a period long enough to be effective and to provide a coherent long-term perspective for beneficiaries of EU funds and co-financing national authorities. Maximum annual amounts (ceilings) are set for EU expenditure as a whole and for the main categories of expenditure (headings). The sum of the ceilings of all headings gives the total ceiling for commitment appropriations. The MFF is adopted by the Council by unanimity of all Member States, with the consent of the European Parliament. The current 2021-2027 multiannual financial framework was adopted on 17 December 2020 ([14]). The 2021-2027 multiannual financial framework is complemented by the temporary recovery instrument NextGenerationEU (see Section **2**).

Annual budget

The annual budget is prepared by the Commission. The European Parliament and the Council agree (usually by mid December) on the budget for the following year, based on the procedure of Article 314 TFEU. According to the principle of budgetary equilibrium, total revenue must equal total expenditure (payment appropriations) for a given financial year.

The main sources of funding of the EU budget are own resources revenues which are complemented by other revenues. There are four types of own resources: Traditional own resources (mainly custom duties), the own resource based on value added tax (VAT), the own resource based on non-recycled plastic packaging waste (introduced in 2021) and the own resource based on gross national income (GNI). Other revenues arising from the activities of the EU (e.g. competition fines) normally represent less than 10 % of total revenue.

([13]) Under the principle of subsidiarity, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects, be better achieved at Union level. Under the principle of proportionality, the content and form of Union action shall not exceed what is necessary to achieve the objectives of the Treaties (see Article 5 TEU).

([14]) On 1 February 2024, the European Council agreed on a mid-term revision of 2021-2027 MFF ceilings, following the Commission's proposals COM(2023) 336.

Management modes

The EU budget is implemented in three management modes which determine how the money is paid out and managed:

— Shared management: the vast proportion of the budget (around 3/4 of the budget) is managed under a system of shared management by the Commission in cooperation with the Member States, notably in the areas of structural funds and agriculture.

— Direct management: the Commission also manages programmes itself and can delegate the implementation of specific programmes to executive agencies.

— Indirect management: Expenditure decisions can also be indirectly managed via other bodies within or outside the EU. The Financial Regulation and/or contribution agreements define the necessary control and reporting mechanisms by these entities and the supervision by the Commission where budget implementation tasks are entrusted to national agencies, the European Investment Bank Group, third countries, international organisations (e.g. the World Bank or the United Nations) and other entities (e.g. EU decentralised agencies, Joint Undertakings).

Financial instruments and budgetary guarantees

The traditional method of budget implementation of giving grants and subsidies is complemented by issuing financial instruments in the form of guarantees as well as equity and loans. Furthermore, the EU engages in borrowing and lending activities for specific financial assistance programmes in order to support Member States and third countries in the form of bilateral loans financed from debt issued on the capital markets with the guarantee of the EU Budget. In December 2022, Parliament and the Council established the unified funding approach to EU borrowing, under which the Union will be issuing single branded 'EU-Bonds', rather than separately denominated bonds for individual programmes.

Financial Regulation

The Financial Regulation (FR) ([15]) applicable to the general budget is a central act in the regulatory architecture of the EU's finances. It defines in detail the financial rules applicable to the execution of the EU budget and the roles of the different actors involved in ensuring that the money is used soundly and achieves the objectives set. It also includes the specific provisions applicable to financial instruments, budgetary guarantees and financial assistance.

7.2. **Governance and accountability**

7.2.1. *Institutional structure*

The EU has an institutional framework through which it aims to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions. The organisational structure consists of institutions, agencies and other EU autonomous bodies. The Financial Regulation, together with the applicable accounting rules, defines which of these entities are included in the EU consolidated accounts (please see note **9** of the EU consolidated annual accounts for the list of entities included in the scope of consolidation).

The European Parliament, jointly with the Council, exercises legislative and budgetary functions. The Commission is politically accountable to the European Parliament. The Council also carries out policymaking and coordinating functions within the general political direction and priorities of the Union set by the European Council.

The European Commission is the executive arm of the European Union. It promotes the Union's general interest and takes appropriate initiatives to that end. It ensures the application of the Treaties and oversees the application of Union law by Member States under the control of the Court of Justice of the European Union. It exercises coordinating, executive and management functions, executes the budget and manages programmes.

([15]) Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

The Commission implements the budget, in large part in cooperation with the Member States ([16]). Together, they ensure that the appropriations are used in accordance with the principles of sound financial management. Regulations lay down the control and audit obligations of the Member States when they share the implementation of the budget and the resulting responsibilities. They also lay down the responsibilities and detailed rules for each of the EU's institutions as concerns their own expenditure.

7.2.2. *The Commission's governance structure*

The Commission's governance arrangements and how these ensure that the Commission functions as a modern, accountable and performance-oriented institution are described in the Communication ([17]) on Governance in the European Commission.

The Commission performs its functions under the leadership of the College of Commissioners, which sets priorities and takes overall political responsibility for the work of the Commission. As a College, the Commission works under the political guidance of its President, who presents, as part of his or her nomination to the European Parliament the objectives he or she intends to pursue in the form of political guidelines. The President decides on the internal organisation of the Commission, ensuring that it acts consistently, efficiently and as a collegiate body.

The College delegates the operational implementation of the budget and financial management to the Directors-General and Heads of Service who lead the administrative structure of the Commission. This decentralised approach creates an administrative culture that encourages civil servants to take responsibility for activities over which they have control and requires them to provide assurance as concerns the activities for which they are accountable.

Under the authority of the President and in close cooperation with the Member of the Commission in charge of budget, human resources and administration, and with the involvement of the Presidential and central services, the Corporate Management Board provides coordination, oversight, advice and strategic orientations.

The internal arrangements define a coherent set of robust controls and management tools which allow the College of Commissioners to assume political responsibility for the work of the Commission ([18]).

7.2.3. *The Commission's financial management*

In the Commission, the roles and responsibilities in financial management are clearly defined (e.g. in the Financial Regulation and the Internal Rules ([19])) and applied accordingly. As authorising officers by delegation, the Commission's Directors-General and Heads of Service are responsible for the sound financial management of EU resources, compliance with the provisions of the Financial Regulation, risk management and establishing an appropriate internal control framework.

The responsibility of the Authorising Officers covers the entire management process, from determining what needs to be done to achieve the policy objectives set by the institution to managing the activities from both an operational and a sound financial management standpoint. Tasks can further be sub-delegated to Directors, Heads of Unit and others, who thereby become Authorising Officers by Sub-Delegation. Each authorising officer by delegation may rely on one or two directors in charge of risk management and internal control to oversee and monitor the implementation of internal control systems.

The Commission's central services provide guidance and advice and promote best practices, including through the work of the Corporate Management Board.

([16]) See Article 317 TFEU.
([17]) C(2020) 4240 of 24.6.2020.
([18]) As a result, the term 'European Commission' is used to denote both the institution – the College – formed by the Members of the Commission, and its administration managed by the Directors-General of its departments (and heads of other administrative structures such as services, offices and executive agencies).
([19]) Since mid-2019 (further to the revised Article 12 of the Internal Rules) the management of the European Development Fund (EDF) is co-delegated among five departments (INTPA (DEVCO), ECHO, EAC, EACEA and JRC).

The Financial Regulation requires each authorising officer to prepare an annual activity report (AAR) detailing achievements, internal control and financial management activities during the year. The AAR includes a declaration that resources have been used based on the principles of sound financial management and that control procedures are in place which provide the necessary guarantees concerning the legality and regularity of the underlying transactions. The Annual Management and Performance Report for the EU budget ([20]) is the main instrument through **which the College of Commissioners assumes political responsibility for the financial management of the EU budget**.

The Accounting Officer of the Commission is centrally responsible for treasury management, recovery procedures, laying down accounting rules based on International Public Sector Accounting Standards (IPSAS), validating accounting systems and the preparation of the Commission's and consolidated annual accounts of the EU. Furthermore, the Accounting Officer is required to sign the annual accounts declaring that they present fairly, in all material aspects, the financial position, the results of the operations and the cash flows of the Union. The annual accounts are adopted by the College of Commissioners. The Accounting Officer is an independent function and bears a major responsibility as regards financial reporting in the Commission.

The Internal Auditor of the Commission is likewise a centralised and independent function and provides independent advice, opinions and recommendations on the quality and functioning of internal control systems inside the Commission, EU agencies and other EU autonomous bodies.

The Audit Progress Committee ensures the independence of the Internal Auditor and monitors the quality of internal audit work and the follow-up given by the Commission services to internal and external audit recommendations, as well as to the European Court of Auditors' discharge related findings and recommendations on the reliability of the annual consolidated EU accounts. The advisory role of the committee contributes to the overall further improvement of the Commission's effectiveness and efficiency in achieving its goals and facilitates the College's oversight of the Commission's governance, risk management, and internal control practices.

7.2.4. *External audit and discharge procedure*

In line with the principles of sound financial management, funds must be managed in an effective, efficient and economic manner. An accountability framework based on comprehensive reporting, external audit and political control exists to provide reasonable assurance that EU funds are spent in a proper manner.

The **European Parliament** decides, after a recommendation by the **Council**, on whether or not to provide its final approval, known as 'granting discharge', on the way the Commission implemented the EU budget in a given year. The annual discharge procedure ensures that the Commission is held politically accountable for the implementation of the EU budget.

Every year the **European Court of Auditors** examines the reliability of the accounts, whether all revenue has been received and all expenditure incurred in a lawful and regular manner and whether the financial management and the qualitative aspects of budgeting, including the performance dimension, have been sound. As from 2021, given the considerable importance of NextGenerationEU, the European Court of Auditor's opinion on the legality and regularity of expenditure under the traditional EU budget is complemented by a separate opinion on the legality and regularity of expenditure under the Recovery and Resilience Facility. The publication of the annual report of the European Court of Auditors is the starting point for the discharge procedure. The auditors also prepare special reports on specific spending or policy areas, or on budgetary or management issues.

The decision on the discharge is also based on the Commission's integrated financial and accountability reporting, on hearings of Commissioners in the European Parliament and on the replies provided to written questions addressed to the Commission.

([20]) https://ec.europa.eu/info/publications/integrated-financial-and-accountability-reporting_en.

NOTE ACCOMPANYING THE CONSOLIDATED ACCOUNTS

The consolidated annual accounts of the European Union for the year 2024 have been prepared on the basis of the information presented by the institutions and bodies under Article 252(2) of the Financial Regulation applicable to the general budget of the European Union. I hereby declare that they were prepared in accordance with Title XIII of this Financial Regulation and with the accounting principles, rules and methods set out in the notes to the financial statements.

I have obtained from the accounting officers of these institutions and bodies, who certified its reliability, all the information necessary for the production of the accounts that show the European Union's assets and liabilities and budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts of the European Commission, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cashflows of the European Union.

Beatriz SANZ REDRADO

Accounting Officer of the Commission

13 June 2025

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES [21]

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[21] 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.

BALANCE SHEET

EUR million

	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Intangible assets	*2.1*	*1 095*	*976*
Property, plant and equipment	*2.2*	*13 713*	*13 399*
Investments accounted for using the equity method	*2.3*	*1 446*	*1 365*
Financial assets	*2.4*	*308 961*	*274 283*
Pre-financing	*2.5*	*40 861*	*41 417*
Exchange receivables and non-exchange recoverables	*2.6*	*13 272*	*16 083*
		379 347	**347 524**
CURRENT ASSETS			
Financial assets	*2.4*	*19 377*	*11 088*
Pre-financing	*2.5*	*38 058*	*50 257*
Exchange receivables and non-exchange recoverables	*2.6*	*18 465*	*19 116*
Inventories	*2.7*	*85*	*78*
Cash and cash equivalents	*2.8*	*63 163*	*39 616*
		139 148	**120 156**
TOTAL ASSETS		**518 495**	**467 679**
NON-CURRENT LIABILITIES			
Pension and other employee benefits	*2.9*	*(93 096)*	*(90 808)*
Provisions	*2.10*	*(2 280)*	*(2 102)*
Financial liabilities	*2.11*	*(539 575)*	*(430 771)*
		(634 951)	**(523 682)**
CURRENT LIABILITIES			
Provisions	*2.10*	*(7 536)*	*(1 233)*
Financial liabilities	*2.11*	*(62 328)*	*(27 613)*
Payables	*2.12*	*(55 414)*	*(50 516)*
Accrued charges and deferred income	*2.13*	*(67 091)*	*(76 805)*
		(192 368)	**(156 166)**
TOTAL LIABILITIES		**(827 319)**	**(679 848)**
NET ASSETS		**(308 824)**	**(212 169)**
Reserves	*2.14*	*986*	*1 052*
Amounts to be called from Member States [1]	*2.15*	*(309 810)*	*(213 221)*
NET ASSETS		**(308 824)**	**(212 169)**

[1] *The European Parliament adopted a budget on 27 November 2024 which provides for the payment of the EU's short-term liabilities from own resources to be collected by, or called up from, the Member States in the following year. Additionally, under Article 83 of the Staff Regulations (Regulation (EEC, Euratom, ECSC) No 259/68 (OJ L 56, 4.3.1968, p. 1) of 29 February 1968 as amended), the Member States shall jointly guarantee the liability for pensions.*

STATEMENT OF FINANCIAL PERFORMANCE

EUR million

	Note	2024	2023
REVENUE			
Revenue from non-exchange transactions			
GNI resources	*3.1*	*95 037*	*101 287*
Traditional own resources	*3.2*	*20 587*	*19 840*
VAT resources	*3.3*	*24 547*	*22 526*
Plastics own resources	*3.4*	*8 227*	*7 225*
Fines	*3.5*	*4 039*	*1 748*
Recovery of expenses	*3.6*	*957*	*803*
UK Withdrawal Agreement	*3.7*	*–*	*681*
Other	*3.8*	*10 673*	*8 800*
		164 068	**162 909**
Revenue from exchange transactions			
Financial revenue	*3.9*	*9 005*	*6 983*
Other	*3.10*	*2 592*	*1 963*
		11 597	**8 946**
Total Revenue		**175 665**	**171 855**
EXPENSES			
Implemented by Member States	*3.11*		
European Agricultural Guarantee Fund		*(40 267)*	*(40 716)*
European Agricultural Fund for Rural Development and other rural development instruments		*(14 779)*	*(14 605)*
European Regional Development Fund and Cohesion Fund		*(28 833)*	*(52 429)*
European Social Fund		*(18 037)*	*(17 665)*
Other		*(3 854)*	*(4 251)*
Implemented by the Commission, executive agencies and trust funds	*3.12*	*(98 971)*	*(61 888)*
Implemented by other EU agencies and bodies	*3.13*	*(4 388)*	*(4 226)*
Implemented by third countries and international organisations	*3.13*	*(6 639)*	*(6 090)*
Implemented by other entities	*3.13*	*(5 599)*	*(4 902)*
Staff and pension costs	*3.14*	*(14 966)*	*(14 023)*
Finance costs	*3.15*	*(27 226)*	*(14 355)*
UK Withdrawal Agreement	*3.7*	*(315)*	*–*
Other expenses	*3.16*	*(8 999)*	*(8 142)*
Total Expenses		**(272 873)**	**(243 292)**
ECONOMIC RESULT OF THE YEAR		**(97 208)**	**(71 437)**

CASHFLOW STATEMENT

EUR million

	2024	2023
Economic result of the year	*(97 208)*	*(71 437)*
Operating activities		
Amortisation	*191*	*181*
Depreciation	*1 194*	*1 203*
(Reversal of) impairment losses on investments	*–*	*–*
(Increase)/decrease in loans	*(36 703)*	*(42 522)*
(Increase)/decrease in pre-financing	*12 756*	*8 821*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*3 463*	*13 000*
(Increase)/decrease in inventories	*(7)*	*3*
Increase/(decrease) in pension and other employee benefits	*2 288*	*10 192*
Increase/(decrease) in provisions	*6 481*	*564*
Increase/(decrease) in financial liabilities (other than under the unified funding approach)	*(1 382)*	*(3 516)*
Increase/(decrease) in payables	*4 898*	*(4 825)*
Increase/(decrease) in accrued charges and deferred income	*(9 714)*	*(9 359)*
Prior year budgetary surplus taken as non-cash revenue	*(633)*	*(2 519)*
Remeasurements in employee benefits liabilities (non-cash movement not included in statement of financial performance)	*1 159*	*(6 877)*
Other non-cash movements	*27*	*(11)*
Investing activities		
(Increase)/decrease in intangible assets and property, plant and equipment	*(1 817)*	*(1 938)*
(Increase)/decrease in investments accounted for using the equity method	*(80)*	*(52)*
(Increase)/decrease in non-derivative financial assets at fair value through surplus or deficit	*(6 246)*	*(7 329)*
(Increase)/decrease in derivative financial assets at fair value through surplus or deficit	*(19)*	*(107)*
Financing activities		
Increase/(decrease) in borrowings under the unified funding approach	*144 900*	*109 600*
NET CASHFLOW	**23 547**	**(6 928)**
Net increase/(decrease) in cash and cash equivalents	*23 547*	*(6 928)*
Cash and cash equivalents at the beginning of the year	*39 616*	*46 544*
Cash and cash equivalents at year-end	*63 163*	*39 616*

STATEMENT OF CHANGES IN NET ASSETS

EUR million

	Amounts to be called from Member States Accumulated surplus/(deficit)	Other reserves	Net assets
BALANCE AS AT 31.12.2022	**(132 637)**	**1 312**	**(131 325)**
Remeasurements in employee benefits liabilities	*(6 877)*	–	*(6 877)*
Other	*249*	*(260)*	*(11)*
2022 budget result credited to Member States	*(2 519)*	–	*(2 519)*
Economic result of the year	*(71 437)*	–	*(71 437)*
BALANCE AS AT 31.12.2023	**(213 221)**	**1 052**	**(212 169)**
Remeasurements in employee benefits liabilities	*1 159*	–	*1 159*
Other	*94*	*(66)*	*27*
2023 budget result credited to Member States	*(633)*	–	*(633)*
Economic result of the year	*(97 208)*	–	*(97 208)*
BALANCE AS AT 31.12.2024	**(309 810)**	**986**	**(308 824)**

NOTES TO THE FINANCIAL STATEMENTS

Note that in the following tables amounts concerning the UK for MFFs up to the end of 2020 are still shown under the heading 'Member States'. This is because although the UK withdrew from the EU on 1 February 2020, in accordance with the Withdrawal Agreement, it continued to have a financial relationship with the EU equivalent to that of a Member State for these periods.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. LEGAL BASIS AND ACCOUNTING RULES

The accounts of the EU are kept in accordance with Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) ([22]), referred to below as the 'Financial Regulation' (FR).

In accordance with Article 80 of the Financial Regulation, the EU prepares its financial statements on the basis of accrual-based accounting rules that are based on International Public Sector Accounting Standards (IPSAS). These accounting rules, adopted by the Accounting Officer of the Commission, have to be applied by all the institutions and EU bodies falling within the scope of consolidation in order to ensure the internal consistency of the EU consolidated accounts.

Application of new and amended European Union Accounting Rules (EAR)

Revised EAR effective for annual periods beginning on or after 1 January 2024

There are no new EAR which became effective for annual periods beginning on or after 1 January 2024.

New EAR adopted but not yet effective at 31 December 2024

There are no new EAR adopted but not yet effective at 31 December 2024.

1.2. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users. For the EU as a public sector entity, the objectives are more specifically to provide information useful for decision-making, and to demonstrate the accountability of the entity for the resources entrusted to it. It is with these goals in mind that the present document has been drawn up.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU accounting rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information.

The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.3. CONSOLIDATION

Scope of consolidation

The consolidated financial statements of the EU comprise all significant controlled entities, joint arrangements and associates. The complete list of entities falling under the scope of consolidation, which now comprises 54 controlled entities and 1 associate (unchanged compared to 2023), can be found in note **9**. Among the controlled entities are the EU institutions (including the Commission, but not the European Central Bank) and the EU agencies (except those acting in the area of the common and foreign security policy). The European Coal and Steel Community in Liquidation (ECSC i.L.) is also considered as a controlled entity. The EU's only associate is the European Investment Fund (EIF).

([22]) OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.

Entities falling under the scope of consolidation but immaterial to the EU consolidated financial statements as a whole need not be consolidated or accounted for using the equity method where to do so would result in excessive time or cost to the EU. These entities are referred to as 'Minor entities' and are separately listed in note **9**. In 2024, 11 entities have been classified as minor entities (2023: 10 entities).

Controlled entities

In order to determine the scope of consolidation, the control concept is applied. Controlled entities are entities for which the EU is exposed, or has right, to variable benefits from its involvement and has the ability to affect the nature and amount of those benefits through its power over the other entity. This power must be presently exercisable and must relate to the relevant activities of the entity. Controlled entities are fully consolidated. The consolidation begins at the first date on which control exists, and ends when such control no longer exists.

The most common indicators of control within the EU are: creation of the entity through founding treaties or secondary legislation, financing of the entity from the EU budget, the existence of voting rights in the governing bodies, audit by the European Court of Auditors and discharge by the European Parliament. An individual assessment for each entity is made in order to decide whether one or all of the criteria listed above are sufficient to result in control.

All material inter-entity transactions and balances between EU controlled entities are eliminated, while unrealised gains and losses on such transactions are not material and so have not been eliminated.

Joint arrangements

A joint arrangement is an agreement of which the EU and one or more parties have joint control. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of parties sharing control. Joint agreements can be either joint ventures or joint operations. A joint venture is a joint arrangement that is structured through a separate vehicle and whereby the partie that have joint control of the arrangement have rights to the net assets of the arrangement. Participations in joint ventures are accounted for using the equity method (see note **1.5.4**). A joint operation is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the assets, and obligations for the liabilities, related to the arrangement. Participations in joint operations are accounted for by recognising in the EU's financial statements its assets and liabilities, revenues and expenses, as well as its share of assets, liabilities, revenues and expenses jointly held or incurred.

Associates

Associates are entities over which the EU has, directly or indirectly, significant influence but not exclusive or joint control. It is presumed that significant influence exists if the EU holds directly or indirectly 20 % or more of the voting rights. Participations in associates are accounted for using the equity method (see note **1.5.4**).

Non-consolidated entities whose funds are managed by the Commission

The funds of the Joint Sickness Insurance Scheme for staff of the EU, the European Development Fund and the Participants Guarantee Fund are managed by the Commission on behalf of these entities. However, since these entities are not controlled by the EU, they are not consolidated in its financial statements.

1.4. **BASIS OF PREPARATION**

Financial statements are presented annually in accordance with Article 249 of the Financial Regulation. The accounting year begins on 1 January and ends on 31 December.

1.4.1. *Currency and basis for conversion*

Functional and reporting currency

The financial statements are presented in millions of euro, unless stated otherwise, the euro being the EU's functional currency.

Transactions and balances

Foreign currency transactions are translated into euro using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euro at the rate that applied on the date that they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euro on the basis of the European Central Bank (ECB) exchange rates applying on 31 December:

Euro exchange rates

Currency	31.12.2024	31.12.2023	Currency	31.12.2024	31.12.2023
BGN	**1,9558**	*1,9558*	**RON**	**4,9743**	*4,9756*
CZK	**25,1850**	*24,7240*	**SEK**	**11,459**	*11,096*
DKK	**7,4578**	*7,4529*	**CHF**	**0,9412**	*0,9260*
GBP	**0,8292**	*0,8691*	**JPY**	**163,06**	*156,3300*
HUF	**411,3500**	*382,8*	**USD**	**1,0389**	*1,105*
PLN	**4,275**	*4,3395*			

1.4.2. *Use of estimates*

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known, if the change affects that period only, or that period and future periods, if the change affects both.

1.5. **BALANCE SHEET**

1.5.1. *Intangible assets*

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives (3-11 years). The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

1.5.2. *Property, plant and equipment*

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the EU and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite useful life. Assets under construction are not depreciated, as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
Buildings	*4 % to 10 %*
Space assets	*8 % to 25 %*
Plant and equipment	*10 % to 25 %*
Furniture and vehicles	*10 % to 25 %*
Computer hardware	*25 % to 33 %*
Other	*10 % to 33 %*

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents are charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the balance sheet.

1.5.3. *Impairment of non-financial assets*

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through amortisation or depreciation (as applicable). Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.5.4. *Investments accounted for using the equity method*

Participations in associates and joint ventures

Investments accounted for using the equity method are initially recognised at cost, with the initial carrying amount subsequently being increased or decreased to recognise further contributions, the EU's share of the surplus or deficit of the investee, any impairments and dividends. The initial cost together with all movements give the carrying amount of the investment in the financial statements at the balance sheet date. The EU's share of the investee's surplus or deficit is recognised in the statement of financial performance, and its share of investee's movements in equity is recognised in the reserves within net assets. Distributions received from the investment reduce the carrying amount of the asset.

If the EU's share of deficits of an investment accounted for using the equity method equals or exceeds its interest in the investment, the EU discontinues recognising its share of further losses ('unrecognised losses'). After the EU's interest is reduced to zero, additional losses are provided for and a liability is recognised only to the extent that the EU has incurred a legal or constructive obligation or made payments on behalf of the entity.

If there are indications of impairment, a write-down to the lower recoverable amount is necessary. The recoverable amount is determined as described under note **1.5.3**. If the reason for impairment ceases to apply at a later date, the impairment loss is reversed to the carrying amount that would have been determined had no impairment loss been recognised.

In cases where the EU holds 20 % or more of an investment capital fund, it does not seek to exert significant influence. Such funds are therefore treated as financial instruments and categorised as financial assets at fair value through surplus or deficit ('FVSD').

Associates and joint ventures classified as minor entities (see note **1.3**) are not accounted for under the equity method. EU contributions to those entities are accounted for as an expense of the period.

1.5.5. *Financial assets*

Classification at initial recognition

The classification depends on two criteria:

— The financial assets management model. This requires an assessment of how the EU manages the financial assets to generate cash flows and to achieve its objectives and how it evaluates the performance of financial assets.

— The asset contractual cash-flow characteristics. This requires an assessment of whether the contractual cash flows are solely payments of principal and interest on the principal outstanding. The interest is the consideration for the time value of money, credit risk and other basic lending risks and costs.

Following an assessment based on these criteria, the financial assets can be classified in three categories: Financial assets at amortised cost (AC), financial assets at fair value through net assets/equity (FVNA) or financial assets at fair value through surplus or deficit (FVSD).

Financial assets with contractual cash flows that represent solely principal and interest are classified depending on the entity's management model. If the management model is to hold the financial assets in order to collect contractual cash flows, the financial assets are classified at AC. If the management model is to hold the financial assets both to collect contractual cash flows and to sell the financial assets, the classification is FVNA. If the management model is different to these two models (e.g. the financial assets are held for trading or held in a portfolio managed and evaluated on a fair value basis), the financial assets are classified as FVSD.

Financial assets with contractual cash flows that do not represent only principal and interest, but introduce exposure to risks and volatility other than those present in a basic lending arrangement (e.g. changes in equity prices), are classified as FVSD regardless of the management model.

At initial recognition, the EU classifies the financial assets as follows:

(a) *Financial assets at amortised cost*

The EU classifies in this category:

— cash and cash equivalents;

— loans (including term deposits with original maturity of more than three months);

— exchange receivables, except for the financial guarantee contract receivable leg classified as financial asset at fair value through surplus or deficit.

These non-derivative financial assets meet two conditions: The EU's management model is to hold them in order to collect the contractual cash flows. Furthermore, on specified days, there are contractual cash flows that represent only principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the reporting date.

(b) *Financial assets at fair value through net assets/equity*

These non-derivatives financial assets have contractual cash flows that represent only principal and interest on the outstanding principal. In addition, the management model is to hold the financial assets both to collect contractual cash flows and to sell the financial assets.

Assets in this category are classified as current assets, if they are expected to be realised within 12 months from the reporting date.

The EU does not hold such assets at the end of this reporting period.

(c) *Financial assets at fair value through surplus or deficit*

The EU classifies the following financial assets as FVSD because the contractual cash flows do not represent only principal and interest on the principal:

— derivatives;

— equity investments and investments in money market funds or in pooled portfolio funds;

— other equity-type investments (e.g. risk capital operations).

In addition, the EU classifies the debt securities it holds as FVSD because the portfolios of debt securities are managed and evaluated on a portfolio fair value basis (e.g. Common Provisioning Fund under Article 215 of the Financial Regulation).

Assets in this category are classified as current assets, if they are expected to be realised within 12 months from the reporting date.

Initial recognition and measurement

Purchases of financial assets at fair value through net assets/equity and at fair value through surplus or deficit are recognised on their trade date, i.e. the date on which the EU commits to purchase the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers.

Financial assets are initially measured at fair value. For all financial assets not carried at fair value through surplus or deficit, the transactions costs are added to the fair value at initial recognition. For financial assets carried at fair value through surplus or deficit the transaction costs are expensed in the statement of financial performance.

The fair value of a financial asset on initial recognition is normally the transaction price unless the transaction is not at arm's length i.e. at no or at nominal consideration for public policy purposes. If that is the case, the difference between the fair value of the financial instrument and the transaction price is a non-exchange component which is recognised as an expense in the statement of financial performance. In this case, the fair value of a financial asset is derived from current market transactions for a directly equivalent instrument. If there is no active market for the instrument, the fair value is derived from a valuation technique that uses available data from observable markets.

When a long-term loan that carries no interest or an interest below market conditions is granted, its fair value can be estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument with a similar credit rating.

Loans granted under the Recovery and Resilience Facility and loans for financial assistance are initially measured at their nominal amount, with the transaction price considered the fair value of the loan. This is because:

— The 'market environment' for EU lending is very specific and different from the capital market used to issue commercial or government debt. As lenders in these markets have the opportunity to choose alternative investments, the opportunity of doing so is factored into market prices. However, this opportunity for alternative investments does not exist for the EU, which is not allowed to invest money in the capital markets; it only borrows funds for the purpose of lending. This means that there is no alternative lending or investment option available to the EU for the sums borrowed. Thus, there is no opportunity cost and therefore no basis of comparison with market rates. In fact, the EU lending operation itself represents the market. Essentially, since the opportunity cost 'option' is not applicable, the market price does not fairly reflect the substance of the EU lending transactions. Therefore, it is not appropriate to determine the fair value of EU lending with reference to commercial or government bonds.

— Furthermore, as there is no active market or similar transactions to compare with, the interest rate to be used by the EU for fair valuing its lending operations should be the interest rate charged.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial assets at fair value through net assets/equity are subsequently measured at fair value. Gains and losses from changes in the fair value are recognised in the fair value reserve, except for foreign exchange translation differences on monetary assets, which are recognised in the statement of financial performance.

Financial assets at fair value through surplus or deficit are subsequently measured at fair value. Gains and losses from changes in the fair value (including those stemming from foreign currency translation and any interest earned) are included in the statement of financial performance in the period in which they arise.

Fair value at subsequent measurement

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities and over-the–counter derivatives), the EU establishes a fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cashflow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments in venture capital funds which do not have a quoted market price in an active market are valued at the attributable net asset value, which is considered as an equivalent of their fair value.

Impairment of financial assets

The EU recognises and measures an impairment loss for expected credit losses on financial assets that are measured at amortised cost and at fair value through net assets/equity.

For assets at amortised cost, the asset's carrying amount is reduced by the amount of the impairment loss which is recognised in the statement of financial performance. For assets at fair value through net assets/equity, the loss allowance is recognised in net assets/equity and does not reduce the carrying amount of the financial asset in the balance sheet. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed through the statement of financial performance.

The expected credit loss (ECL) is the present value of the difference between the contractual cash flows and the cash flows that the EU expects to receive. The ECL incorporates reasonable and supportable information that is available without undue cost or effort at the reporting date.

Staging policies

The ECL is measured with a three stage model that takes into account probability weighted default events during the lifetime of the financial asset and the evolution of credit risk since the origination of the financial asset. For loans, origination is the date of the irrevocable loan commitment.

The allocation to stages mainly depends on the counterparty's credit rating. The staging model relies on a relative assessment of credit risk, that is, the EU may have different loans with the same counterparty in different stages, depending on the counterparty's credit risk at origination. The EU, having a unique institutional status, lends money to its Member States or to sovereigns in difficulty. As a result, the EU also applies a qualitative assessment of the credit risk based on monitoring the economic situation of borrowers in difficulty.

Stage 1 – No significant increase in credit risk

Loans to counterparties with credit ratings in the investment grade (i.e. between AAA (Aaa) and BBB- (Baa3) on the S&P/Fitch (Moody's) rating scale or an equivalent external or internal rating) at the reporting date, are considered low credit risk loans, and thus held in Stage 1, except if they are overdue for more than 30 days (see Stage 2). In addition, any loans for which a significant increase in credit risk did not occur, as defined below, are classified to Stage 1. For the loans in Stage 1, the impairment allowance is measured at the level of the 12 month expected credit losses.

Stage 2 – Significant increase in credit risk (SICR)

In order to determine whether there has been a significant increase in the credit risk since origination, and thus whether a move to Stage 2 applies, the EU applies a combination of quantitative and qualitative assessments:

— all loans for which contractual payments are overdue by between 31 and 90 days, are moved to Stage 2;

— for counterparties with credit ratings between AAA (Aaa) and BB- (Ba3) at the initial recognition date: Unless the low risk case (above in Stage 1) applies, the deterioration is considered significant if the difference between the rating at origination and that at the reporting date is equal or superior to 3 notches;

— for counterparties with credit ratings of B+ (B1) or B (B2) at initial recognition date: The deterioration is considered significant if the difference between the initial rating and the current rating is equal or superior to 2 notches;

— for counterparties with credit ratings of B- (B3) or lower (in CCC/Caa – C range) at the initial recognition date: The deterioration is considered significant if the difference between the initial rating and the current rating at the reporting date is equal or superior to 1 notch; and

— loans originated before the transition to the revised EAR 11 (i.e. 1 January 2021), for which no information on the credit risk at initial recognition is available without undue cost and effort are classified to Stage 2.

For loans in Stage 2, the impairment allowance is measured at the level of lifetime expected credit losses.

Stage 3 – Credit-impaired loans

Loans are classified in Stage 3 when they are 90 days past due or when one or more events occur after the loan origination that have a detrimental impact on the estimated future cash flows of that financial asset. For example, a loan is classified to Stage 3, if:

— it is becoming probable that a borrower will enter bankruptcy or other financial reorganisation;

— the borrower has a credit rating of D published by an external rating agency; and

— the borrower is in default under any financial obligation towards the EU, or in the case of loans for financial assistance, if the borrower is in default to any other international organisation financing the programme.

For loans in Stage 3, the impairment allowance is measured at the level of lifetime expected credit losses.

Purchased or originated as credit impaired (POCI)

The EU also holds POCI loans. These are defaulted loans where the EU paid a guarantee call to the implementing partner. For these loans, all rights have been subrogated to the EU. The EU recognises them on its balance sheet at fair value at initial recognition. The EU classifies them as POCI loans and calculates an impairment allowance based on the lifetime ECL. Under the relevant agreements between the EU and the implementing partners, recovery proceedings are carried out on behalf of the EU with the aim of recovering any sums due.

(a) *Loans to sovereigns*

The EU bases its assessment of loans' impairment, in the context of the nature of the EU's financing and its unique institutional status.

For the impairment of loans to non-Member States, the EU calculates the expected credit losses using external credit quality data, however taking into account its preferred creditor status, which reduces the credit risk. For the calculation of the present value, the discount rate is the loan's original effective interest rate. If a loan has a variable interest rate, the discount rate is the current effective interest rate determined under the contract.

For loans to Member States, the EU has never incurred any impairment losses, nor faced any defaults on payments. For these loans, in addition to the preferred creditor status, the EU takes into account the relationships with its Member States. These two elements, in principle, guarantee the full recovery of the loans to Member States, on maturity. Therefore, the EU considers the expected credit losses from loans to Member States to be negligible, and a statistical approach to calculate expected credit losses as inappropriate for these loans. Thus no expected credit losses are recognised in the statement of financial performance for the loans to Member States.

(b) *Receivables*

The EU measures the impairment loss at the amount of lifetime ECL, using practical expedients (e.g. provision matrix).

(c) *Cash and cash equivalents*

The EU holds cash and cash equivalents in current bank accounts and term deposits of up to three months. The cash is mainly held in banks with very high credit ratings (see note **6.6**), thus having very low default probabilities. Given the short duration and low default probabilities, the expected credit losses from cash and cash equivalents are negligible. As a result, no impairment allowance is recognised for cash equivalents.

Derecognition

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the EU has transferred substantially all risks and rewards of ownership to another party. Sales of financial assets at fair value through net assets/equity and through surplus or deficit are recognised on their trade date.

1.5.6. *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other directly attributable costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When inventories are held for distribution at no charge or for a nominal charge, they are measured at the lower of cost and current replacement cost. Current replacement cost is the cost the EU would incur to acquire the asset on the reporting date.

1.5.7. *Pre-financing amounts*

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments in accordance with the principle of sound financial management over a period laid down in the particular contract, decision, agreement or basic act. The float or advance is either used for the purpose for which it was provided during the period laid down in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, they have the obligation to return the pre-financing to the EU. As the EU retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods, pre-financing is measured at the amount initially recognised on the balance sheet less the eligible expenses (including estimated amounts where necessary) incurred during the period.

Interest on pre-financing is recognised as it is earned in accordance with the relevant agreement. An estimate of the accrued interest revenue, based on the most reliable information, is made at the end of the year and included in the balance sheet.

Other advances to Member States, which originate from reimbursement by the EU of amounts paid as advances by the Member States to their beneficiaries (including 'financial instruments under shared management'), are recognised as assets and presented under the heading 'Pre-financing'. Other advances to Member States are subsequently measured at the amount initially recognised on the balance sheet less a best estimate of the eligible expenses incurred by final beneficiaries, calculated on the basis of reasonable and supportable assumptions.

The contributions to EU trust funds (as established under Article 238 of the Financial Regulation) not consolidated in the European Commission, or to other unconsolidated entities, are classified as pre-financing since their purpose is to give a float to the trust fund to allow it to finance specific actions determined by the trust fund's objectives. The EU contributions to trust funds are measured at the initial amount of the EU contribution less eligible expenses, including estimated amounts where necessary, incurred by the trust fund during the reporting period and allocated to the EU contribution in accordance with the underlying agreement.

1.5.8. *Exchange receivables and non-exchange recoverables*

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivables' is reserved for exchange transactions, whereas for 'non-exchange transactions', i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions are financial assets measured at amortised cost, except for certain amounts of the financial guarantee contract receivable leg which are classified as financial assets at fair value through surplus or deficit (see note **1.5.5**).

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment of recoverables from non-exchange transactions is established when there is objective evidence that the EU will not be able to collect all amounts due according to the original terms of recoverables from non-exchange transactions. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance. A general write-down, based on past experience, is also made for outstanding recovery orders not already subject to a specific write-down. See note **1.5.14** on the treatment of accrued revenue at the end of the year. Amounts displayed and disclosed as recoverables from non-exchange transactions are not financial instruments, as they do not arise from a contract that would give rise to a financial liability or equity instrument. However, in the notes to the financial statements recoverables from non-exchange transactions are disclosed together with receivables from exchange transactions where appropriate.

1.5.9. *Cash and cash equivalents*

Cash and cash equivalents are financial assets at amortised cost and include cash at hand, deposits held at call or at short notice with banks and other short-term highly liquid investments with original maturities of three months or less.

1.5.10. *Employee benefits*

The EU provides a set of benefits (emoluments and social security) to employees. For accounting purposes these have to be classified into short-term and post-employment benefits.

Short-term employee benefits

Short-term employee benefits are those benefits due to be settled before twelve months after the end of the reporting period in which employees rendered the service, such as salaries, annual leave and paid sick leave, and other short-term allowances. Short-term employee benefits are recognised as an expense when the related service is provided. A liability is recognised for the amount expected to be paid if the EU has a present legal or constructive obligation to pay as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

The EU grants a set of post-employment benefits to employees, which include retirement, invalidity and survival pensions provided under the Pension Scheme of the European Officials, as well as health insurance coverage provided under the Joint Sickness Insurance Scheme (see note **2.9**). These benefits are provided under a single plan – although split in two schemes – and they must be treated similarly so as to give a fair presentation of the situation and reflect the economic reality:

— Pension Scheme of European Officials (PSEO): The benefits granted under this notionally funded ([23]) scheme relate to seniority, invalidity and survival, as well as, family allowances, death before retirement to those employees that work or worked in the EU institutions, agencies and other EU bodies or are survivors of deceased officials or pensioners. Staff contribute one third of the expected cost of these benefits from their salaries.

— Joint Sickness Insurance Scheme (JSIS): Under this scheme, the EU provides health insurance coverage for staff of the European Commission, EU institutions, agencies and other bodies through the reimbursement of medical expenses. The benefits granted to the 'inactives' of this scheme (i.e. pensioners, orphans, etc.) are classified as post-employment benefits.

The EU also provides post-employment benefits to members and former members of the EU institutions via separate pension schemes. These are shown under the heading 'Other retirement benefit schemes'. Under these schemes the EU provides pension benefits to members of the Commission, European Court of Justice, Court of Auditors, Council, European Parliament, European Ombudsman and the European Data Protection Supervisor. The EU provides health coverage to the members of the EU institutions through the JSIS.

The above post-employment benefits qualify as defined benefit obligations of the EU and are calculated at each reporting date by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is carried out annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The post-employment benefits provided to EU staff are incorporated in a single plan comprising a pension scheme (PSEO) and a sickness insurance scheme (JSIS), with the right to coverage under the JSIS scheme being dependent on having acquired the right to coverage under the PSEO scheme. Under the terms of this single plan, as set out in the Staff Regulation, certain entitlements, such as the right to a deferred and reduced pension under the PSEO scheme, are acquired after 10 years of service. However, the entitlements acquired under the single plan by the employee's subsequent service are materially higher than those initial entitlements as reflected by subsequent annually accrued pension rights.

([23]) The PSEO is a notional (virtual) fund with defined benefits in which staff's contributions serve to finance their future pensions. Although there is no actual investment fund, the amount that would have been collected by such a fund is considered to have been invested in the Member States' long-term bonds and is reflected in the pension liability that is registered in the annual accounts of the European Union. Member States jointly guarantee the payment of the benefits pursuant to Article 83 of the Staff Regulations and Article 4 (3) of the Treaty on European Union (see COM(2018) 829 for a detailed description of the scheme).

Therefore, in order to depict the economic substance of the underlying transaction required by the faithful representation qualitative characteristic of financial reporting as outlined in both EAR 1 and the IPSAS Conceptual Framework, the service cost incurred is accrued on a straight-line basis over staff's estimated active service period, i.e. the period from the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases. This approach is applied consistently to the benefits provided for under the single plan.

Remeasurements in the net defined benefit liabilities comprise actuarial gains and losses and the return on plan assets, and are recognised immediately in net assets.

The EU recognises the net interest expense (income) and other expenses related to the defined benefit plans in the statement of financial performance within the heading 'Staff and pension costs'.

When benefits provided are changed or curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of financial performance. Gains and losses on settlement are recognised when the settlement occurs. Past service cost is recognised immediately in the statement of financial performance, unless the changes are conditional on the employees remaining in service for a specified period of time.

1.5.11. *Provisions*

Provisions are recognised when the EU has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenses expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.5.12. *Financial liabilities*

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit, financial liabilities carried at amortised cost, or as financial guarantee contract liabilities.

Borrowings

Borrowings are composed of borrowings from credit institutions and debts evidenced by certificates (EU Bonds, EU deposits and EU Bills). They are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred, then subsequently carried at amortised cost using the effective interest method; any difference between proceeds, net of transaction costs, and the redemption value is recognised in the statement of financial performance over the period of the borrowings using the effective interest method. The transaction costs incurred by the EU and then recharged to the beneficiary of the loan are immaterial and are directly recognised in the statement of financial performance.

Borrowings are classified as non-current liabilities, except for maturities less than 12 months after the balance sheet date.

Financial liabilities at fair value through surplus or deficit

These include derivatives where the fair value is negative. They follow the same accounting treatment as financial assets at fair value through surplus or deficit, see note **1.5.5**.

Financial guarantee contract liabilities

The EU recognises a financial guarantee contract (FGC) liability when it enters into a contract that requires the EU to make specified payments to reimburse the guarantee holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Where the guarantee contract requires the EU to make payments in response to price changes to financial instruments or changes to other underlyings, the guarantee contract is a derivative i.e. a financial liability at fair value through surplus or deficit. All other guarantee contracts are accounted for as financial provisions.

FGC liabilities are initially recognised at fair value. This equals the net present value of the premium receivable, if it is at market terms. When no guarantee premium is charged or where the consideration is not fair value, the fair value is determined based on the quoted prices in an active market for FGCs directly equivalent to that entered into the financial guarantee liability, if available, or using a valuation technique. If no reliable measure of fair value can be determined either by direct observation of an active market or through another valuation technique, the financial guarantee contract liability is initially measured at the amount of the lifetime expected credit losses.

The subsequent measurement depends on the evolution of the credit risk exposure from the financial guarantee, which is monitored by allocating the FGC to stages. The key risk indicator for the allocation of FGC to stages is the credit rating of the guaranteed debt. The staging model compares the credit rating at origination to the credit rating at the reporting date.

If there is no significant increase in credit risk ('Stage 1'), financial guarantee liabilities are measured at the higher of the 12 months expected credit losses and the amount initially recognised less, when appropriate, cumulative amortisation. If there is a significant increase in credit risk ('Stage 2'), financial guarantee liabilities are measured at the higher of the lifetime expected credit losses and the amount initially recognised less, when appropriate, cumulative amortisation.

The staging criteria for guaranteed debt in financial guarantee contracts covering a single debt instrument are the same as those for financial assets at amortised cost (see note **1.5.5**).

The staging criteria for the guaranteed debt in portfolio guarantees follow the same staging criteria as for financial assets at amortised cost with the following exceptions:

— the weighted average credit rating of the guaranteed portfolio, or rating of the guarantee, is considered for the staging criteria, and not the rating of individual debt instruments separately.

— for guarantees with a credit rating between AAA (Aa1) and BB- (Ba3) at initial recognition date: the deterioration is considered significant if the difference between the rating at origination and that at the reporting date is equal or superior to 2 notches.

— for guarantees with a credit rating between B+ (B1) or lower at initial recognition date: the deterioration is considered significant if the difference between the rating at origination and that at the reporting date is equal or superior to 1 notch.

Alternatively, if the credit ratings are not available but there is an estimation of the expected annual claims at initial recognition, the actual level of claims compared to the initial estimate is also considered a reasonable risk indicator for the assessment of significant increase in credit risk (SICR).

In addition to the above criteria, the EU may apply a qualitative assessment of the SICR, based on additional, reasonable and justified, information available.

FGC originated before the transition to the revised EAR 11 (i.e. before 1 January 2021) for which no information on the credit risk at initial recognition is available without undue cost and effort are classified to Stage 2.

Classification to Stage 3 and POCI does not apply to FGC.

Financial guarantee contracts are classified as current liabilities, except if the EU has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

Contributions with conditions

EU trust funds that are considered as part of the Commission's operational activities (i.e. trust funds Madad and Colombia) are accounted for in the Commission accounts and further consolidated in the EU annual accounts. Therefore, contributions from other donors to the EU trust funds fulfil the criteria of revenues from non-exchange transactions under conditions and they are presented as financial liabilities until the conditions attached to the contributions transferred are met, i.e. eligible costs are incurred by the trust fund. The trust fund is required to finance specific projects and return remaining funds at the time of winding-up. At the balance sheet date, the outstanding contribution liabilities are measured at contributions received less the expenses incurred by the trust fund, including estimated amounts when necessary. For reporting purposes, the net expenses are allocated to the contributions of other donors in proportion to net contributions paid as at 31 December. This allocation of contributions is only indicative. When the trust fund is wound up, the actual distribution of the remaining resources will be decided by the trust fund board.

The same measurement principles apply to the external contributions to the EU programmes, if such contributions are received with the condition to use the resources as stipulated in the contribution agreements or otherwise to return them to the contributor.

1.5.13. *Payables*

A significant amount of the payables of the EU are unpaid cost claims from beneficiaries of grants or other EU funding (non-exchange transactions). They are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and the corresponding eligible expenses are entered in the accounts when the supplies or services are delivered and accepted by the EU.

1.5.14. *Accrued and deferred revenue and charges*

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the EU or a contractual agreement exists (e.g. by reference to a treaty), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. Accrued expenses are calculated in accordance with detailed operational and practical guidelines issued by the Commission which aim to ensure that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.6. **STATEMENT OF FINANCIAL PERFORMANCE**

1.6.1. *Revenue*

REVENUE FROM NON-EXCHANGE TRANSACTIONS

The vast majority of the EU's revenue relates to non-exchange transactions as follows:

GNI-based resources, VAT and Plastics own resources

Revenue is recognised for the period for which the Commission sends out a call for funds to the Member States claiming their contribution. The revenue is measured at its 'called amount'. As VAT, GNI and Plastics own resources are based on estimates of the data for the budgetary year concerned, they may be revised since changes occur until the final data are issued by the Member States. The effect of a change in estimate is included when determining the net surplus or deficit for the period in which the change occurred.

Traditional own resources

Recoverables from non-exchange transactions and related revenues are recognised when the relevant monthly 'A' statements (including duties collected and amounts due that are guaranteed and not contested) are received from the Member States. At the reporting date, revenue collected by the Member States for the period but not yet paid to the Commission is estimated and recognised as accrued revenue. The quarterly 'B' statements (including duties neither collected nor guaranteed, as well as guaranteed amounts that have been contested by the debtor) received from the Member States are recognised as revenue less the collection costs to which they are entitled. In addition, a value reduction is recognised for the amount of the estimated recovery gap.

Fines

Revenue from fines is recognised when the EU's decision imposing a fine has been adopted and it is officially notified to the addressee. After the decision to impose a fine, the fined entities have two months from the date of notification:

— either to accept the decision, in which case they must pay the fine within the time limit laid down and the amount is definitively collected by the EU; or

— not to accept the decision, in which case they challenge it in accordance with EU law.

Even if appealed, the fine must be paid within the three month time limit, as the appeal does not have suspensory effect (Article 278 TFEU). The cash received is used to clear the recoverable. However, subject to the agreement of the Commission's Accounting Officer, the undertaking may present a bank guarantee for the amount instead. In that case the fine remains as a recoverable. If neither cash nor a guarantee is received and there are doubts about the undertaking's solvency, a value reduction on the entitlement is recognised.

If the undertaking appeals against the decision, and has already provisionally paid the fine, the amount is disclosed as a contingent liability, or, if it appears probable that the General Court may not rule in favour of the EU, a provision is recognised to cover this risk. If a guarantee is given instead, the outstanding recoverable is written down.

The accumulated interest received by the Commission on the bank accounts where received payments are deposited is recognised as revenue, and any contingent liability is increased accordingly.

Since 2010, all provisionally cashed fines are managed by the Commission in a specifically created fund (BUFI) and invested in financial instruments.

REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest revenue and expense

Interest revenue and expense are recognised in the statement of financial performance using the effective interest method. This is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest revenue or interest expense over the relevant period. When calculating the effective interest rate, the EU estimates cashflows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees and interest rate points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets is considered credit impaired ('Stage 3'), the interest revenue is recognised using the rate of interest to discount the future cashflows for the purpose of measuring the impairment loss.

Revenue from dividends

Revenue from dividends and similar distributions is recognised when the right to receive payment is established.

Revenue and expense from financial assets through surplus or deficit

This refers to the fair value gains (revenue) and fair value losses (expense) from these financial assets, including those stemming from foreign exchange translation. For interest-bearing financial assets, this also includes interest. See also note **3.9.**

Revenue from financial guarantee contracts

The revenue from financial guarantee contracts (guarantee premium) is recognised over the time the EU stands ready to compensate the holder of the financial guarantee contract for the credit loss it may incur. The amortisation schedule applied takes into account the passage of time and the volume of the guaranteed exposure. Revenue from financial guarantee contracts include also amortisation of financial guarantee contracts liability in cases when the guarantee was provided at no or nominal consideration.

1.6.2. *Expenses*

Expenses from non-exchange transactions account for the majority of the EU's expenses. They relate to transfers to beneficiaries and can be of three types: (i) entitlements; (ii) transfers under agreement and discretionary grants; as well as (iii) contributions and donations.

Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by the relevant regulation (Financial Regulation, Staff Regulations, or other regulation) or an agreement has been signed authorising the transfer, any eligibility criteria have been met by the beneficiary, and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the EU. They are valued at their original invoice amount. Furthermore, at the balance sheet date, expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are estimated and recognised in the statement of financial performance.

1.7. CONTINGENT ASSETS AND LIABILITIES

1.7.1. *Contingent assets*

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the EU. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.7.2. *Contingent liabilities*

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the EU, or a present obligation that arises from past events but is not recognised, either because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or in the rare circumstance where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.8. 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, investing and financing activities.

Operating activities are the activities of the EU other than investing or financing activities. As such, they account for the majority of the activities carried out by the EU.

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 as they are part of the general objectives and thus daily operations of the EU. The objective is to show the real investments made by the EU.

Financing activities are activities that result in changes in the size and composition of borrowings other than those granted to beneficiaries on a back-to-back basis or for the acquisition of properaty, plant and equipment (which are included under operating activities).

2. **NOTES TO THE BALANCE SHEET**

ASSETS

2.1. **INTANGIBLE ASSETS**

EUR million

Gross carrying amount at 31.12.2023	*2 085*
Additions	*331*
Disposals	*(152)*
Transfer between asset categories	*0*
Other changes	*(7)*
Gross carrying amount at 31.12.2024	**2 257**
Accumulated amortisation at 31.12.2023	*(1 109)*
Amortisation charge for the year	*(191)*
Amortisation written back	-
Disposals	*137*
Transfer between asset categories	*0*
Other changes	*0*
Accumulated amortisation at 31.12.2024	**(1 162)**
Net carrying amount at 31.12.2024	**1 095**
Net carrying amount at 31.12.2023	*976*

The above amounts relate primarily to computer software.

2.2. **PROPERTY, PLANT AND EQUIPMENT**

The space assets category covers operational fixed assets related to the two EU space programmes: the Global Navigation Satellite Systems (GNSS), i.e. Galileo and European Geostationary Navigation Overlay System (EGNOS), and the Copernicus European Earth observation programme. Assets of the space systems which are not yet operational are included under the heading 'Assets under construction'. The assets related to the EU space programmes are being built with the assistance of the European Space Agency (ESA).

For Galileo, the constellation currently includes 30 satellites. The Galileo operational fixed assets, covering both satellites and ground installations, amounted to EUR 2 987 million at 31 December 2024, net of accumulated depreciation (2023: EUR 2 486 million). The remaining assets under construction total EUR 2 145 million (2023: EUR 2 479 million).

Regarding Copernicus, 8 satellites are operational with 17 satellites and instruments under construction. The total value of Copernicus operational fixed assets is EUR 492 million (2023: EUR 438 million), net of accumulated depreciation. A further EUR 3 520 million related to Copernicus satellites is recognised as assets under construction (2023: EUR 3 078 million).

Fixed assets related to the EGNOS ground infrastructure of EUR 160 million (2023: EUR 187 million) are also included under the heading 'Space assets'. In addition, EGNOS assets under construction amount to EUR 345 million (2023: EUR 289 million).

On 29 April 2024, the European Commission sold 23 of its buildings in Brussels to SFPIM ('Société Fédérale de Participations et d'Investissement' – the national Belgian Sovereign Fund) for an overall selling price of EUR 900 million. The net book value of the buildings concerned was EUR 432 million, resulting in a gain of EUR 468 million which was fully recognised at the time of the sale. The proceeds of the sale will be reinvested in the financing of new buildings, the repayment of remaining financial liabilities and the renovation of existing buildings. Although the sale has been signed for all 23 buildings, the exit will be gradual, with the last buildings being vacated in September 2029.

Property, plant and equipment

EUR million

	Land and Buildings	Space assets	Plant and Equipment	Furniture and Vehicles	Computer Hardware	Other	Finance leases	Assets under construction	Total
Gross carrying amount at 31.12.2023	*7 034*	*7 702*	*575*	*283*	*863*	*370*	*2 378*	*6 308*	*25 513*
Additions	*57*	*4*	*25*	*31*	*83*	*22*	*6*	*1 786*	*2 014*
Disposals	*(1 056)*	*(0)*	*(117)*	*(59)*	*(234)*	*(87)*	*(28)*	*(0)*	*(1 581)*
Transfer between asset categories	*494*	*1 351*	*0*	*–*	*2*	*3*	*(281)*	*(1 569)*	*(0)*
Other changes	*(3)*	*–*	*0*	*0*	*1*	*(1)*	*–*	*3*	*(1)*
Gross carrying amount at 31.12.2024	**6 528**	**9 056**	**483**	**255**	**714**	**308**	**2 075**	**6 528**	**25 945**
Accumulated depreciation at 31.12.2023	*(4 417)*	*(4 591)*	*(507)*	*(214)*	*(681)*	*(288)*	*(1 416)*		*(12 114)*
Depreciation charge for the year	*(141)*	*(826)*	*(27)*	*(16)*	*(89)*	*(18)*	*(77)*		*(1 195)*
Depreciation written back	*–*	*–*	*–*	*1*	*(0)*	*–*	*–*		*1*
Disposals	*611*	*0*	*111*	*52*	*197*	*82*	*23*		*1 076*
Transfer between asset categories	*(159)*	*–*	*–*	*(0)*	*(2)*	*–*	*161*		*0*
Other changes	*0*	*–*	*(0)*	*(0)*	*(0)*	*(0)*	*–*		*(0)*
Accumulated depreciation at 31.12.2024	**(4 106)**	**(5 417)**	**(423)**	**(177)**	**(575)**	**(225)**	**(1 309)**		**(12 232)**
NET CARRYING AMOUNT AT 31.12.2024	**2 422**	**3 639**	**59**	**77**	**139**	**83**	**766**	**6 528**	**13 713**
NET CARRYING AMOUNT AT 31.12.2023	*2 617*	*3 111*	*68*	*69*	*181*	*82*	*962*	*6 308*	*13 399*

2.3. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The participation of the EU, represented by the Commission, in the European Investment Fund (EIF) is treated as an associate using the equity method of accounting. The EIF is the EU's financial institution specialising in providing risk capital and guarantees to Small and Medium-sized Entities (SMEs). The EIF operates as a private-public partnership, whose members are the European Investment Bank (EIB), the EU and a group of financial institutions.

At 31 December 2024, the EU holds 29,7 % of ownership interests in the EIF (2023: 29,7 %) and 29,7 % of the voting rights (2023: 29,7 %). In accordance with its statutes, the EIF is required to allocate at least 20 % of its annual net result to a statutory reserve, until the aggregate reserve amounts to 10 % of subscribed capital. This reserve is not available for distribution.

The table below shows the current year's movement of the EU's participation in the EIF.

EUR million

	European Investment Fund
Participation at 31.12.2023	**1 365**
Contributions	–
Dividends received	*(7)*
Share of net result	*83*
Share in the net assets	*4*
Participation at 31.12.2024	**1 446**

EIF summarised financial information:

EUR million

	31.12.2024	31.12.2023
	Total EIF	Total EIF
Assets	*7 789*	*6 554*
Liabilities	*(2 923)*	*(1 959)*
Surplus/(deficit)	*280*	*234*

The reconciliation of the above summarised financial information to the carrying amount of the interest held in the EIF is as follows:

EUR million

	31.12.2024	31.12.2023
Net assets of the associate	*4 866*	*4 595*
EC ownership interests in EIF	**29,7 %**	**29,7 %**
Carrying amount	*1 446*	*1 365*

The EU, represented by the Commission, has paid in 20 % of its subscribed shares in the EIF capital at 31 December 2024, the uncalled amount is as follows:

EUR million

	Total EIF capital	EU subscription
Total share capital	*7 370*	*2 190*
Paid-in	*(1 474)*	*(438)*
Uncalled	**5 896**	**1 752**

2.4. **FINANCIAL ASSETS**

EUR million

	Note	31.12.2024	31.12.2023
Non-current			
Financial assets at amortised cost	*2.4.1*	*269 903*	*242 265*
Financial assets at fair value through surplus or deficit	*2.4.2*	*39 058*	*32 018*
		308 961	**274 283**
Current			
Financial assets at amortised cost	*2.4.1*	*13 677*	*4 612*
Financial assets at fair value through surplus or deficit	*2.4.2*	*5 700*	*6 476*
		19 377	**11 088**
Total		**328 338**	**285 370**

2.4.1. *Financial assets at amortised cost*

EUR million

	Note	31.12.2024	31.12.2023
Loans for NGEU and financial assistance	*2.4.1.1*	*283 114*	*246 622*
Other loans	*2.4.1.2*	*466*	*255*
Total		**283 580**	**246 877**
Non-current		*269 903*	*242 265*
Current		*13 677*	*4 612*

2.4.1.1. Loans for NGEU and financial assistance

EUR million

	31.12.2024	31.12.2023
Loans to Member States	*251 457*	*221 883*
Loans to third countries	*31 656*	*24 739*
Total at 31.12.2024	**283 114**	**246 622**
Non-current	*269 782*	*242 144*
Current	*13 332*	*4 477*

Loans to Member States

EUR million

	NGEU	SURE	EFSM	BOP	Euratom	Total
Total at 31.12.2023	*79 589*	*98 984*	*43 095*	*201*	*13*	*221 883*
New loans (nominal)	*29 446*	*–*	*1 800*	*–*	*–*	*31 246*
Repayments	*–*	*–*	*(2 600)*	*–*	*(13)*	*(2 613)*

EUR million

	NGEU	SURE	EFSM	BOP	Euratom	Total
Changes in carrying amount	*1 085*	*(145)*	*2*	*0*	*(0)*	*942*
Changes in impairment	–	–	–	–	–	–
Total at 31.12.2024	**110 120**	**98 839**	**42 297**	**201**	–	**251 457**
Non-current	*108 686*	*90 539*	*39 517*	–	–	*238 742*
Current	*1 434*	*8 300*	*2 780*	*201*	–	*12 715*

The nominal value of loans to Member States at 31 December 2024 is EUR 249,2 billion (2023: EUR 220,6 billion), out of which EUR 108,7 billion refer to the NGEU loans for RRF and REPowerEU.

In this table, and in the table for loans to third countries further below, the line 'Changes in carrying amount' corresponds to the change in accrued interest and the change in premiums/discounts (new premiums/discounts and amortisation).

The programmes SURE, EFSM, Euratom and BOP have been implemented on a 'back-to-back' basis. This means that the loans were financed by equivalent borrowings, with the same terms and conditions. The maturities are the same, the issue premiums/discounts and the costs are recharged to the loan beneficiary. At maturity, the loan beneficiary reimburses the Commission and the Commission repays the borrowing. For the NGEU loans there is no back-to-back relationship between the terms of the loans and the borrowings. These loans are funded from the unified funding approach, explained in note **2.11.1.1**.

NGEU (RRF/REPowerEU)

The RRF is a temporary instrument, established in 2021, to help the Member States' economies recover from the coronavirus pandemic and become resilient to green and digital transitions. Under the EU Recovery Instrument (NGEU), the Commission borrows funds, which the RRF uses to finance Member States' reforms and investments. These have to be in line with EU priorities and have to address the challenges identified in country-specific recommendations under the European Semester framework of economic and social policy coordination. The financing can be either a loan (repayable support) or a grant (non-repayable support, see note **2.5**). The Member States can receive financing up to a previously agreed allocation for loans and grants. To benefit from the support, the Member States have to submit their national recovery and resilience plans to the European Commission. Each plan sets out the reforms and investments to be implemented by the end of 2026, defining clear milestones and targets to be analysed by the European Commission and approved by the European Council. The RRF loans can be disbursed until 31 December 2026, but only after the achievement of the agreed milestones and targets.

In 2023, the RRF Regulation was amended and enabled the Member States to add a REPowerEU chapter to their national recovery and resilience plans. The Member States can finance investments and reforms in order to achieve the REPowerEU objectives. The financing can also be with loans, using RRF loan resources not yet requested by the Member States.

At 31 December 2024, the signed loan agreements were EUR 290,9 billion out of which EUR 108,7 billion were already disbursed.

Support to mitigate Unemployment Risks in an Emergency (SURE)

SURE provided financial assistance aiming to maintain people in work and support jobs affected by the coronavirus pandemic. The availability of the instrument ended on 31 December 2022. The loans disbursed were EUR 98,4 billion (nominal value) and there are no pending disbursements.

European Financial Stabilisation Mechanism (EFSM)

The EFSM enabled the granting of financial assistance to a Member State in financial difficulties. The programme has expired except for specific transactions such as the maturity extension of the loans. In 2024, Ireland repaid EUR 0,8 billion of EFSM loan principal due, while Portugal requested a maturity extension of EUR 1,8 billion. The new loan was financed by a long term bond maturing in 2028.

Balance of Payments (BOP)

This is a policy-based financial instrument that provides medium-term financial assistance to Member States that have not adopted the euro.

European Atomic Energy Community loans (Euratom)

The European Atomic Energy Community lends money to both Member States and non-EU countries, and to entities of both, to finance projects relating to energy installations. There are no outstanding amounts relating to Member States or one of their entities.

Loans to third countries

EUR million

	MFA	Ukraine Facility	Euratom	Total
Total at 31.12.2023	*24 528*	*–*	*210*	*24 739*
New loans (nominal)	*1 145*	*13 112*	*–*	*14 257*
Repayments	*(600)*	*–*	*–*	*(600)*
Changes in carrying amount	*(19)*	*205*	*(0)*	*187*
Changes in impairment	*(1 224)*	*(5 694)*	*(8)*	*(6 926)*
Total at 31.12.2024	**23 831**	**7 623**	**203**	**31 656**
Non-current	*23 420*	*7 418*	*202*	*31 040*
Current	*411*	*205*	*1*	*617*

The nominal value of loans to third countries at 31 December 2024, was EUR 47,2 billion (2023: EUR 33,5 billion).

In this table, the line 'Changes in impairment' corresponds to the remeasurement of the expected credit losses as at 31 December 2024. The line 'Changes in carrying amount' corresponds to the change in accrued interests and the change in premiums/discounts (new premiums/discounts and amortisation).

The Euratom operates on a 'back to back' basis.

Until the end of 2022, the MFA loans were funded under the back to back approach, whereas with the implementation of the MFA+ programme in 2023, new loans under the MFA will mainly be implemented using the unified funding approach explained in note **2.11.1.1**. Any new programmes such as the Ukraine Facility will be also funded with the unified funding approach.

Macro-Financial Assistance

The MFA refers to loans for financial assistance to partner countries experiencing a balance of payment crisis.

The total nominal exposure of MFA loans outstanding at year end amounted to EUR 33,7 billion, out of which EUR 29,0 billion was to Ukraine.

As at 31 December 2024, the impairment allowance for MFA loans was EUR 10,2 billion (2023: EUR 9,0 billion), out of which EUR 10,1 billion refer to the loans to Ukraine. While all amounts due in 2024 from Ukraine were paid on time and at the moment of preparation of the annual accounts there is no overdue payments, in accordance with the accounting rules, the impairment reflects the life-time expected credit losses estimated with a particular prudence due to significant uncertainties involved.

In October 2024, Regulation (EU) 2024/2773 was adopted establishing the Ukraine Loan Cooperation Mechanism (ULCM) and authorising a new MFA for Ukraine. Under the ULCM, extraordinary revenues originating from immobilised Russian sovereign assets will be used to grant non-repayable support to Ukraine with the objective to assist the country in repaying new bilateral loans provided by the G7 partners and the EU under this initiative. The EU signed the MFA loan agreement with Ukraine in December 2024 for an amount of EUR 18,1 billion to be disbursed in 2025. As all policy conditions for disbursement were met by Ukraine by year-end, the MFA loan under ULCM was considered as irrevocably committed leading to recognition of a provision for expected credit losses of EUR 7,1 billion as at 31 December 2024 (see also note **2.10**).

In addition, there were EUR 95 million undrawn amounts conditionally commited from other MFA loan agreements at year-end (2023: EUR 95 million).

In 2024, the EU granted EUR 763 million of interest rate subsidies to Ukraine for the interest accrued on the exceptional MFA and MFA+ loans. This constitutes a modification of the loan's terms (see also notes **3.15** and **6.6**), and is included under the 'Changes in carrying amount' in the table above.

Ukraine Facility loans

The Ukraine Facility Regulation ([24]) is a new instrument adopted in 2024 that offers up to EUR 50 billion in financial support to Ukraine, including up to EUR 33 billion of sovereign loans, to be disbursed by the end of 2027. EUR 13,1 billion of loans were disbursed to Ukraine in 2024.

The impairment allowance is calculated like for the MFA loans to Ukraine and total EUR 5,7 billion at 31 December 2024. There are EUR 19,9 billion conditional undrawn amounts from signed loan agreements at year end.

European Atomic Energy Community loans (Euratom)

The European Atomic Energy Community lends money to both Member States and non-Member States, and to entities of both, to finance projects relating to energy installations. The total outstanding amount relates to loans to Energoatom, guaranteed by the Ukrainian state. For these loans an impairment allowance of EUR 98 million has been recognised. There are no undrawn amounts from signed loan agreements.

EU budget guarantee for loans to Member States and third countries.

The EU budget guarantees the borrowings issued by the EU which finance the loans to Member States and third countries. If there would be unpaid loan amounts in the future, the EU budget may have to repay the related borrowing amounts.

— Borrowings for NGEU, EFSM, BOP, MFA+ and Ukraine Facility are guaranteed solely by the EU budget;

— Borrowings for SURE are guaranteed by the EU budget and underpinned by Member States guarantees of EUR 25 billion;

— Borrowings for MFA loans to third countries are firstly covered by the CPF (see note **2.4.2.1**) and then by the EU budget, with exception of the MFA exceptional financial assistance loans to Ukraine of EUR 6 billion that are 61 % covered by guarantees provided by the Member States after the first 9 % of losses to be covered by CPF; and

— Borrowings for Euratom are firstly covered by the by third party guarantees, then by CPF (see note **2.4.2.1**), and then by the EU budget.

For more details, see note **6.7**.

([24]) Regulation (EU) 2024/792.

UK obligations arising from its departure from the EU

In accordance with Article 143 of the Withdrawal Agreement, the UK is liable to the Union for its share of contingent financial liabilities related to the loans for financial assistance (EFSM, MFA, BOP and Euratom) approved/decided by the withdrawal date, 31 January 2020. Article 143 requires that in case of a default under a loan for financial assistance that has been approved before the withdrawal date, the UK would be liable to the Union for its share of payments made by the Union under the defaulted operation, unless this could be covered by the UK share of provisioning held in the Guarantee Fund for external actions compartment of the CPF where this is relevant (i.e. MFA and Euratom loans in third countries) – see note **4.1.1**.

The EU's outstanding contingent liability relating to the above loans for financial assistance amounted to EUR 53,9 billion as at the withdrawal date. Following repayments since that date, the value of these loans covered by the EU guarantee at 31 December 2024 is EUR 47,4 billion – the UK's share of this is EUR 5,9 billion.

2.4.1.2. Other loans

These include 3 types of loans:

(a) Loans granted from EU budget programmes (e.g. the Agriculture and Electrification Financing initiatives and the EU Employment and Social Innovation programme). These loans total EUR 75 million as at 31 December 2024 (2023: EUR 77 million).

(b) Subrogated loans: These are loans disbursed by the EIB and guaranteed by the EFSI and ELM programmes. The loans defaulted, the Commission paid the guarantee calls and therefore holds the recovery rights. As a result the loans are now recognised on the EU balance sheet. At 31 December 2024, the Commission holds the recovery rights for EUR 1,0 billion of such loans, including accrued interests (2023: EUR 0,1 billion). However, after taking into account the expected credit losses, the amount recognised on the balance sheet is EUR 51 million (2023: EUR 56 million).

(c) Term deposits of EUR 340 million (2023: EUR 122 million) with maturity of over 3 months that do not meet the definition of cash equivalents.

2.4.2. *Financial assets at fair value through surplus or deficit (FVSD)*

EUR million

	Note	31.12.2024	31.12.2023
Financial assets at FVSD non-derivatives	*2.4.2.1*	*43 648*	*37 402*
Financial assets at FVSD derivatives	*2.4.2.2*	*1 110*	*1 091*
Total		**44 758**	**38 493**
Non-current		*39 058*	*32 018*
Current		*5 700*	*6 476*

2.4.2.1. Financial assets at FVSD non-derivatives

Financial assets at FVSD non-derivatives by type

EUR million

	31.12.2024	31.12.2023
Debt securities	*34 465*	*29 703*
MMFs, ETFs and investments in pooled portfolios	*5 975*	*4 806*
Other equity investments	*3 201*	*2 893*
Loans	*8*	–
Total	**43 648**	**37 402**

EUR million

	31.12.2024	31.12.2023
Non-current	*37 948*	*30 967*
Current	*5 700*	*6 435*

Debt securities are mainly sovereign and corporate bonds. They are held in the funds (portfolios) managed by the Commission (mainly CPF and the Budget Fines Fund (BUFI)) or by the EIB on behalf of the EU (mainly Horizon 2020 (H2020) and the Innovation Fund). The portfolios' performance is evaluated on a fair value basis (market value). As at 31 December 2024, the market value of securities lent within the securities lending programmes amounts to EUR 5,8 billion (EUR 3,2 billion in 2023). Those securities lent are not derecognised from the EU's balance sheet as the risks and rewards are still held by the EU.

Money market funds (MMFs) are mutual funds that invest in short-term debt securities (e.g. the EIB unitary fund). The exchange-traded funds (ETFs) are investment funds that are traded on stock exchanges. They track indices and hold assets such as stocks, bonds, currencies and futures contracts. The investments in pooled portfolios are the EU funds of Connecting Europe Faclity (CEF) and H2020 programmes pooled together with Member States' funds from the NER 300 programme. They are used to provide guarantees to the EIB's financing and investment operations.

The 'Other equity investments' mainly refer to investing EU budget money – via implementing partners – in venture capital or other types of investment funds for pursuing EU policy objectives: for example, enhancing access to finance for start up SMEs, research and innovation as well as infrastructure both inside and outside the EU.

Financial assets at FVSD non-derivatives by programme

EUR million

	31.12.2024	31.12.2023
Common Provisioning Fund	*23 174*	*18 698*
Innovation Fund	*10 616*	*8 754*
BUFI investments	*2 141*	*2 268*
ECSC i.L.	*1 206*	*1 219*
EBRD	*188*	*188*
EEAS local staff pension plan	*128*	*97*
Horizon 2020 and Horizon Europe	*3 968*	*3 872*
Connecting Europe Facility	*716*	*731*
EU SME Equity Facilities	*453*	*485*
European Fund for South East Europe	*243*	*233*
Green for Growth Fund	*128*	*116*
Energy Efficiency Finance Facility	*103*	*110*
Other	*586*	*630*
Total	**43 648**	**37 402**
Non-current	*37 948*	*30 967*
Current	*5 700*	*6 435*

Common Provisioning Fund (CPF)

The EU gives guarantees to financial partners for losses on equity investments and loans (see note **4.1** for EU budgetary guarantees). In accordance to the legal acts, the EU budget gradually sets money aside in order to pay to the partners any losses covered by these guarantees. The EU budget also sets money aside to repay the borrowings in case of defaults on MFA and Euratom loans to non-Member States.

In compliance with the Financial Regulation, the Commission has set up the CPF to manage, in one common portfolio, the money it sets aside ('provisioning'). The monies are invested in debt securities, money market funds and ETFs. In addition to the EU budget provisioning, the CPF receives recoveries from defaulted operations, the returns on its investments and the EU's remuneration from the financial partners. The CPF may also receive voluntary contributions from Member States and other contributors that are – in this way – increasing the available EU budget guarantees.

The CPF allocates the incoming contributions into compartments depending on the contributing programme. The legal acts of the programmes set out the necessary provisioning for the guarantees provided. The EU budget pools these individually provisioned funds in the CPF so as to optimise the asset management.

As at 31 December 2024 the assets of the CPF increased as the InvestEU, NDICI and Ukraine guarantees are building up the necessary provisions but also due to portfolio gains of EUR 0,9 billion. The total assets were EUR 23,2 billion, out of which EUR 19,8 billion were invested in debt securities, and EUR 3,3 billion in ETFs.

Innovation Fund (IF)

The Innovation Fund establishes a system for the trading of greenhouse gas emission allowances within the Union. The purpose is to use the revenue to support innovation in low-carbon technologies and processes in certain economic sectors. The Innovation Fund receives the revenue from the progressive monetisation of 530 million of allowances and also any unspent funds from the 300 million allowances available for NER300 programme (see note **3.8**). The EIB manages the monies, until they are used for the intended purpose, and invests them in debt securities. The increase in 2024 is mainly due to incoming auctioning revenues.

BUFI investments

The Commission has established the Budget Fines fund ('BUFI') for managing the money it provisionally receives for fines issued to companies which are under appeal. Until the final court decision on a given fine, the Commission invests the money in debt instruments.

ECSC i.L.

The ECSC Treaty expired on 23 July 2002 and all the ECSC assets were transferred to the European Union. They were earmarked for research in the sectors associated with the coal and steel industries, for example breakthrough technologies that lead to near-zero-carbon steelmaking. The Commission invests the monies in debt securities, until they are granted for research purposes.

European Bank for Reconstruction and Development

The EU holds a financial investment in the capital of the European Bank for Reconstruction and Development (EBRD), in which the number of shares held at 31 December 2024 were 90 044 (2023: 90 044 shares), representing 2,9 % of the total subscribed share capital. The EU subscribed for a total amount of EUR 900 million of share capital, out of which EUR 713 million is currently uncalled.

Horizon 2020 and Horizon Europe

Under the EU Regulation establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) – new financial instruments have been established in order to enhance access to finance to entities engaged in research and innovation (R&I). These instruments are:

— *The InnovFin Loan and Guarantee Service for R&I* under which the Commission shares the financial risk related to a portfolio of new financing operations entered into by the EIB;

— *The InnovFin SME Guarantee and the SME Initiative Uncapped Guarantee Instrument (SIUGI)* – guarantees facilities managed by the EIF, providing guarantees and counter-guarantees to financial intermediaries for new portfolios of loans (under SIUGI the Commission shares the financial risk related to the guarantee given with Member States, EIF and EIB);

— *The InnovFin Equity Facility for R&I* providing for investments in venture capital funds which are managed by the EIF; and

— *The EIC Fund (European Innovation Council Fund)* which provides equity financing to accelerate innovation and market deployment actions. The EIC fund is funded from the Horizon Europe and H2020 programmes.

Connecting Europe Facility

Pursuant to Regulation (EU) No 1316/2013 of the European Parliament and of the Council ([25]), the Connecting Europe Facility (CEF) debt instrument has been established with the objective to facilitate infrastructure projects' access to financing in the sectors of transport, telecommunications and energy. It is managed by the EIB under an agreement with the EU. It offers risk sharing for debt financing in the form of senior and subordinated debt or guarantee as well as support for project bonds guaranteed by the EU.

EU SME Equity Facilities

These are equity instruments financed by the COSME, CIP and MAP programmes and the Growth and Employment Initiative, under the trusteeship of the EIF, supporting the creation and financing of EU SMEs in their early (start-up) and growth stages by investing in suitable specialised venture capital funds.

Fair value hierarchy of non-derivative financial assets at FVSD

EUR million

Type of financial asset	31.12.2024	31.12.2023
Level 1: Quoted prices in active markets	*37 559*	*31 477*
Level 2: Observable inputs other than quoted prices	*3 098*	*3 230*
Level 3: Valuation techniques with inputs not based on observable market data	*2 991*	*2 695*
Total	**43 648**	**37 402**

During the period, there were no transfers between level 1 and level 2 of the fair value hierarchy.

Reconciliation of non-derivative financial assets measured using valuation techniques with inputs not based on observable market data (level 3)

EUR million

Fair value movements	
Opening balance at 1.1.2024	***2 695***
Investments during the period	*508*
Capital repayments	*(85)*
Revenues settled	*(38)*
Gains or losses for the period in surplus or deficit	*(89)*
Transfers into level 3	–
Transfers out of level 3	–
Other	*0*
Closing balance at 31.12.2024	**2 991**

([25]) Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129, ELI: http://data.europa.eu/eli/reg/2013/1316/oj).

2.4.2.2. Financial assets and liabilities at FVSD derivatives

Financial assets and liabilities at FVSD derivatives by type

EUR million

Type of derivative	31.12.2024			31.12.2023		
	Notional amount	Fair Value Asset	Fair Value Liability	Notional amount	Fair Value Asset	Fair Value Liability
Guarantee on equity portfolio	*6 057*	*1 110*	*(60)*	*5 059*	*1 050*	*(53)*
FX derivatives	*2 417*	*–*	*(38)*	*1 528*	*41*	*(6)*
Total	**8 474**	**1 110**	**(98)**	**6 587**	**1 091**	**(60)**
Non-current		*1 110*	*(13)*		*1 050*	*(8)*
Current		*–*	*(84)*		*41*	*(52)*

Guarantees on equity portfolios

The heading 'Guarantee on equity portfolio' comprises guarantees given by the EU to financial institutions on portfolios of equity investments. These guarantees are classified as derivative financial instruments and accounted for as a financial asset or financial liability at fair value through surplus or deficit since they do not meet the definition of a financial guarantee liability – see note **1.5.12**. The EU financial asset or liability is measured based on the value of the underlying investments.

The total amount represents mainly the EFSI guarantee given by the EU to the EIB Group with underlying equity investments disbursed by the EIB and EIF amounting to EUR 3,8 billion (2023: EUR 3,7 billion). The fair value of the EU guarantee on the EFSI equity portfolios totalled EUR 1,1 billion (2023: EUR 1,0 billion).

Foreign exchange derivatives

The EU enters into foreign currency forward contracts in order to hedge the foreign currency risk related to USD denominated debt securities held in the CPF. Under the foreign currency forward contracts, the EU delivers the contractually agreed notional amount in foreign currency ('pay leg'), as presented in the table above, and will receive the notional amount in EUR ('receive leg') at the maturity date.

This heading also includes effect of foreign currency risk hedging activities under InvestEU guarantee and cases where the EU guarantees foreign currency risk.

Fair value hierarchy of derivative financial assets and liabilities

EUR million

Type of derivative	31.12.2024		31.12.2023	
	Fair Value Asset	Fair Value Liability	Fair Value Asset	Fair Value Liability
Level 1: Quoted prices in active markets	*–*	*–*	*–*	*–*
Level 2: Observable inputs other than quoted prices	*–*	*(27)*	*41*	*(1)*
Level 3: Valuation techniques with inputs not based on observable market data	*1 110*	*(71)*	*1 050*	*(59)*
Total	**1 110**	**(98)**	**1 091**	**(60)**

During the period, there were no transfers between level 1 and level 2. Derivatives in fair value level 3 include mainly guarantees on equity portfolios.

Reconciliation of derivative financial assets and liabilities measured using valuation techniques with inputs not based on observable market data (Level 3)

EUR million

Fair value movements	
Opening balance asset/(liability) as at 1.1.2024	**992**
Guarantee call claims paid	*170*
Guarantee calls returned	*(10)*
Revenues from guarantee settled	*(129)*
Gains or losses for the period in surplus or deficit	*16*
Transfers into level 3	*–*
Transfers out of level 3	*–*
Other	*0*
Closing balance at 31.12.2024	**1 039**

2.5. PRE-FINANCING

EUR million

	Note	31.12.2024	31.12.2023
Non-current			
Pre-financing	*2.5.1*	*39 093*	*40 970*
Other advances to Member States	*2.5.2*	*1 682*	*371*
Contribution to Trust Funds		*85*	*76*
		40 861	**41 417**
Current			
Pre-financing	*2.5.1*	*35 969*	*48 478*
Other advances to Member States	*2.5.2*	*2 089*	*1 780*
		38 058	**50 257**
Total		**78 919**	**91 675**

The level of pre-financing in the various programmes must be sufficient to ensure the necessary funding for the beneficiary to initiate and advance the project, while also safeguarding the financial interests of the EU and taking into consideration legal, operational and cost-effectiveness constraints.

2.5.1. *Pre-financing*

EUR million

	Gross amount	Cleared via accruals	Net amount at 31.12.2024	Gross amount	Cleared via accruals	Net amount at 31.12.2023
Shared management						
EAFRD & other rural development instruments	*3 885*	*(840)*	*3 045*	*3 614*	*(686)*	*2 928*
ERDF & CF	*25 859*	*(16 476)*	*9 384*	*31 502*	*(10 125)*	*21 378*
ESF	*9 437*	*(6 258)*	*3 180*	*12 105*	*(3 236)*	*8 869*
Other	*14 220*	*(4 836)*	*9 384*	*8 755*	*(5 348)*	*3 408*
	53 402	**(28 409)**	**24 992**	**55 976**	**(19 394)**	**36 582**
Direct Management						
Implemented by:						
Commission	*34 727*	*(14 289)*	*20 438*	*37 273*	*(12 782)*	*24 491*
of which RRF (NGEU)	*18 930*	*(3 541)*	*15 389*	*22 889*	*(3 710)*	*19 178*
EU executive agencies	*40 693*	*(25 586)*	*15 107*	*36 130*	*(21 683)*	*14 446*
Trust funds	*508*	*(429)*	*79*	*639*	*(507)*	*133*
	75 928	**(40 304)**	**35 624**	**74 042**	**(34 972)**	**39 070**
Indirect Management						
Implemented by:						
Other EU agencies & bodies	*5 281*	*(2 814)*	*2 467*	*4 983*	*(2 314)*	*2 670*
Third countries	*1 843*	*(1 103)*	*739*	*1 602*	*(1 166)*	*436*
International organisations	*13 171*	*(8 839)*	*4 333*	*14 229*	*(9 713)*	*4 516*
Other entities	*19 295*	*(12 389)*	*6 906*	*17 606*	*(11 432)*	*6 175*
	39 590	**(25 144)**	**14 446**	**38 421**	**(24 625)**	**13 797**
Total	**168 920**	**(93 858)**	**75 062**	**168 439**	**(78 991)**	**89 448**
Non-current	*39 093*	–	*39 093*	*40 970*	–	*40 970*
Current	*129 826*	*(93 858)*	*35 969*	*127 469*	*(78 991)*	*48 478*

Pre-financing represents money paid out, and thus the implementation of payment appropriations. As explained in note **1.5.7**, these are advances and so not yet expensed. Thus while pre-financing reduces outstanding RAL (see note **5.1**) it represents expenses still to be accepted and recognised in the statement of financial performance.

For shared management, the significant decrease in the cohesion area pre-financing is linked to programming period 2014-2020 – as the period is reaching its closure phase, higher amounts are cleared, which accounts for a decrease of EUR 18 billion.

As regards the 2021-2027 programming period, the most significant pre-financing amounts are also related to the cohesion area, EUR 9,3 billion (2023: EUR 9 billion).

The increase in other shared management is linked to the disbursement of EUR 6 billion in pre-financing under the Just Transition Fund to European regions.

For direct management, the biggest amounts of pre-financing are those related to the non-reimbursable support concerning the RRF instrument, EUR 15,4 billion net at year-end (2023: EUR 19,2 billion). The decrease is mostly linked to the clearings that took place during the year (EUR 7,2 billion) following Member States reaching milestones and targets. In 2023, the RRF was amended by Regulation (EU) 2023/435 of the European Parliament and of the Council ([26]) to provide additional support to Member States through REPowerEU chapters for reforms and investments fostering independence, security and sustainability of the Union's energy supply. New pre-financing amounts (EUR 2,4 billion) were paid to the Member States in 2024 in relation to REPowerEU chapters. The other significant amounts, in total EUR 11,9 billion (2023: EUR 12,1 billion), refer to the Research area (mainly Horizon 2020 and Horizon Europe, implemented by the EU executive agencies and the Commission).

For indirect management, the pre-financing covers mainly internal policies programmes like Erasmus+ (EUR 4,3 billion), Galileo and EGNOS (Space Programmes, EUR 2,7 billion), and the Neighbourhood, Development and Cooperation Instrument and its precursors (EUR 2,5 billion).

Guarantees received in respect of pre-financing

These are guarantees that the Commission requests in certain cases from beneficiaries that are not Member States when making advance payments (pre-financing). There are two values to disclose for this type of guarantee, the 'nominal' and the 'on-going' values. For the nominal value, the generating event is linked to the existence of the guarantee. For the on-going value, the guarantee's generating event is the pre-financing payment made against the guarantee, then reduced by subsequent clearings. At 31 December 2024 the nominal value of guarantees received in respect of pre-financing amounted to EUR 942 million while the on-going value of those guarantees was EUR 587 million (2023: EUR 576 million and EUR 525 million respectively).

Certain pre-financing amounts paid out under the 7th Research Framework Programme for research and technological development (FP7) and under the Horizon 2020 and Horizon Europe Programmes are effectively covered by the Mutual Insurance Mechanism (MIM), previously known as the Participants Guarantee Fund (PGF). The MIM is a mutual benefit instrument set up to cover the risks relating to non-payment of amounts by the beneficiaries during the implementation of the indirect actions under those programmes. All participants of indirect actions receiving a grant from the EU contribute 5 % of the maximum EU contribution to the MIM's capital, which is invested in the financial markets by the Commission in order to generate interest. The interest may be used to cover debts not honoured by a defaulting participant towards the Union. At the end of the indirect action the contributions are paid back to the participants. The EU (represented by the Commission) acts as an executive agent of the participants of the MIM, but the fund is owned by the participants. The MIM is thus a separate entity that is not consolidated in these EU annual accounts.

At 31 December 2024, pre-financing amounts covered by the MIM totalled EUR 3,0 billion (2023: EUR 3,0 billion). The MIM's total assets, including financial assets managed by the Commission, amounted to EUR 3,2 billion (2023: EUR 3,0 billion).

2.5.2. *Other advances to Member States*

EUR million

	31.12.2024	31.12.2023
Advances to Member States for financial instruments under shared management	*1 889*	*594*
Aid Schemes	*1 883*	*1 556*
Total	**3 772**	**2 150**
Non-current	*1 682*	*371*
Current	*2 089*	*1 780*

([26]) Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC (OJ L 63, 28.2.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/435/oj).

Advances to Member States for financial instruments under shared management

Under the framework of the European Structural and Investment Funds (ESIF) programmes, it is possible to make advance payments from the EU budget to Member States so as to allow them to contribute to financial instruments (i.e. loans, equity investments or guarantees). These financial instruments are set up and managed under the responsibility of the Member States, not the Commission. Nevertheless, monies that are unused by these instruments at year-end remain the property of the EU (as with all pre-financing) and are thus treated as an asset on the EU's balance sheet.

For cohesion area, as the former programming period is reaching its closure stage, all amounts for MFF 2014-2020 are considered as implemented. Therefore, the large increase concerns MFF 2021-2027 where out of EUR 1 832 million paid, it is estimated that EUR 1 803 million was unused at 31 December 2024.

For rural development, EUR 85 million remained unused at year-end.

Aid Schemes

Similar to the above, reimbursed amounts corresponding to advances paid by the Member States for various aid schemes (State aid, market measures of EAGF or investment measures of EAFRD) that were not used at year-end are recorded as assets (advances) on the EU's balance sheet. The Commission has estimated the value of these advances based on information provided by the Member States; the resulting amounts are included under the Aid Schemes sub-heading above. In 2024, an amount of EUR 1 685 million relates to agriculture and rural development. For cohesion policy the unused amounts at year-end were estimated at EUR 198 million and relate to the MFF 2021-2027.

2.6. EXCHANGE RECEIVABLES AND NON-EXCHANGE RECOVERABLES

EUR million

	Note	31.12.2024	31.12.2023
Non-current			
Recoverables from non-exchange transactions	*2.6.1*	*11 541*	*13 954*
Receivables from exchange transactions	*2.6.2*	*1 731*	*2 129*
		13 272	**16 083**
Current			
Recoverables from non-exchange transactions	*2.6.1*	*16 529*	*16 795*
Receivables from exchange transactions	*2.6.2*	*1 936*	*2 321*
		18 465	**19 116**
Total		**31 736**	**35 199**

2.6.1. *Recoverables from non-exchange transactions*

EUR million

	Note	31.12.2024	31.12.2023
Non-current			
Member States	*2.6.1.1*	*275*	*272*
UK Withdrawal Agreement	*2.6.1.2*	*11 231*	*13 088*
Accrued income and deferred charges	*2.6.1.4*	*10*	*567*
Other recoverables		*25*	*27*
		11 541	**13 954**

EUR million

	Note	31.12.2024	31.12.2023
Current			
Member States	*2.6.1.1*	*4 667*	*3 706*
UK Withdrawal Agreement	*2.6.1.2*	*1 530*	*2 385*
Fines imposed on companies	*2.6.1.3*	*9 152*	*9 861*
Accrued income and deferred charges	*2.6.1.4*	*1 085*	*787*
Other recoverables		*94*	*57*
		16 529	**16 795**
Total		**28 070**	**30 749**

2.6.1.1. Recoverables from Member States

EUR million

	31.12.2024	31.12.2023
TOR A accounts	*3 277*	*2 326*
TOR separate accounts	*849*	*1 249*
Own resources to be received	*139*	*7*
Impairment	*(553)*	*(673)*
Other	*–*	*–*
Own resources recoverables	**3 712**	**2 908**
European Agricultural Guarantee Fund (EAGF)	*1 534*	*1 483*
European Agricultural Fund for Rural Development (EAFRD) and other rural development instruments	*127*	*126*
Impairment	*(741)*	*(683)*
EAGF and rural development recoverables	**920**	**927**
Pre-financing recovery	**16**	**1**
VAT paid and recoverable	**53**	**49**
Other recoverables from Member States	**242**	**93**
Total	**4 943**	**3 977**
Non-current	*275*	*272*
Current	*4 667*	*3 706*

The non-current amounts due from Member States relate mainly to non-executed conformity clearance decisions for the European Agricultural Guarantee Fund (EAGF) as well as for the European Agricultural Fund for Rural Development (EAFRD). The amounts related to these decisions are being recovered in annual instalments.

Own resources recoverables

The ‘A accounts’ refer to the monthly statements in which the Member States communicate the established traditional own resources (TOR) entitlements. The table lists the ‘A accounts’ amounts that have not yet been paid to the Commission. TOR are mainly customs duties collected by Member States on behalf of the Commission.

The 'A accounts' have tended to have a level in the range of EUR 3 to 4 billion at year-end. In 2024, the amounts declared by the Member States are back to the usual level, after the decrease recorded in the previous year (mainly due to the closing of a case regarding anti-dumping duties on solar panels). Additionally, the customs duties established in November and December 2024 were higher compared to the same period of the previous year.

Concerning the United Kingdom infringement case (Infringement No 2018/2008), on 8 March 2022, the Court issued the related judgement and confirmed that the UK had infringed its obligations to protect the Union budget. The case originated in a 2017 OLAF report, that found that importers in the UK had evaded a large amount of customs duties by using fictitious and false invoices and incorrect customs value declarations at the time of importation.

The Commission assessed the judgment, and particularly the comments of the Court with respect to the determination of the amounts due. Following a detailed analysis, the UK paid both principal and late interest amounts between 2022 and 2023 (EUR 1,6 billion for the principal and EUR 1,4 billion for late interest before the reduction of the UK share).

Applying the same parameters for the calculation of the estimated TOR losses due for textiles and footwear imported from China at significantly understated value, Member States paid under reservation an amount of EUR 1,9 billion during 2021 and 2022. Following the closure of the undervaluation file regarding the UK, the Commission has been recalculating in cooperation with Member States their respective final amounts due in accordance with the Court ruling Case C-213/19. In 2024, the final amounts of principal and interest due have been agreed with several Member States and the respective cases have been closed. Clarifications with some Member States are ongoing to establish the final amounts due. By 31 December 2024, EUR 0,9 billion paid under reservation remain subject to further analysis and further reductions are expected in view of additional information to be provided by the Member States concerned.

The late payment interest due in relation to these cases is currently estimated to be EUR 0,3 billion at 31 December 2024 (see note **2.6.2**).

'Separate accounts' refers to established entitlements that have not been included in the 'A accounts', because they have not been recovered by Member States and no security (i.e. guarantee) has been provided (or security has been provided but the amounts are contested). These entitlements are subject to impairment based on information provided every year by the Member States. The impairment amounts represent generally a similar percentage of the principal amount at each year-end.

EAGF and Rural Development recoverables

This item primarily covers the amounts owed by Member States at 31 December 2024, as declared and certified by the Member States as at 15 October 2024. An estimation is made for the recoverables arising after this declaration and up to 31 December 2024. The Commission also estimates a write-down for the amounts owed by beneficiaries that are unlikely to be recovered. The fact that such an adjustment is made does not mean that the Commission is waiving future recovery of these amounts. A deduction of 20 % is also included in the adjustment and corresponds to what Member States are allowed to retain to cover administrative costs.

2.6.1.2. UK Withdrawal Agreement

The 'Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community' (ref. 2019/C 384 I/01) (the 'Withdrawal Agreement' or 'WA') signed between the EU and the UK lays down various financial obligations for both parties. As at 31 December 2024, the net receivable from the UK based on these obligations amounted to EUR 12 762 million (2023: EUR 15 473 million), of which EUR 1 530 million is to be received within the 12 months following the reporting date (2023: EUR 2 385 million):

EUR million

	Article 140	Article 142	Other	31.12.2024	31.12.2023
Due from the UK	*4 432*	*10 136*	*116*	*14 683*	*18 867*
Due to the UK	-	–	*(1 922)*	*(1 922)*	*(3 394)*
Total	**4 432**	**10 136**	**(1 806)**	**12 762**	**15 473**
Non-current	*2 469*	*9 802*	*(1 040)*	*11 231*	*13 088*
Current	*1 963*	*334*	*(766)*	*1 530*	*2 385*

UK share (Article 139)

According to Article 139, the UK's share of the financial obligations arising out of the WA is a percentage calculated as the ratio between the own resources made available by the UK in the years 2014 to 2020 and the own resources made available during that period by all Member States and the UK as adjusted by the amount communicated to the Member States before 1 February 2022. The final UK share has been calculated as being 12,431681219587700 %.

Payments under the Withdrawal Agreement

The payment mechanism to be applied to the obligations provided for between the two parties is laid out in Article 148. In summary, the EU invoices the net amounts due from the UK in April and September of each year and the UK pays these on a monthly basis. The amounts reported in April of a given year are to be paid in four equal monthly instalments from June to September of that year. The amounts reported in September are to be paid in eight equal monthly instalments from October of that year to May of the following year. Since some amounts reported are necessarily based on forecasts and estimates, the reporting is updated each year based on actual figures.

In 2024 the net amount reported to the UK under Article 136, and Articles 140 to 147, was EUR 377 million (2023: EUR 8 585 million), of which EUR 1 414 million, payable to the UK, was reported in April 2024 and EUR 1 791 million, payable by the UK, was reported in September 2024 (2023: EUR 3 572 million and EUR 5 013 million, respectively, payable by the UK).

The total payments received in 2024 amounted to EUR 2 391 million (2023: EUR 9 450 million). Of this amount, EUR 3 133 million related to the remainder of the September 2023 report and was paid by the UK in five equal instalments in the period from January to May 2024 (2023: EUR 3 998 million), EUR 1 414 million, related to the 2024 April report and was paid to the UK in four equal monthly instalments in the period from June to September 2024 (2023: EUR 3 572 million, paid by the UK), and EUR 672 million related to the 2024 September report and was paid by the UK in three equal instalments in the period October to December 2024 (2023: EUR 1 880 million).

EUR million

	Remainder of September 2023 report: (due and paid from January to May 2024)	April 2024 report: (due and paid from June to September 2024)	September 2024 report: (due and paid from October to December 2024)	Total payments in 2024
Article 136	*21*	*–*	*8*	*29*
Article 140	*3 092*	*–*	*672*	*3 763*
Article 142	*18*	*280*	*11*	*309*
Article 143	*11*	*–*	*–*	*11*
Article 147	*–*	*12*	*–*	*12*
	3 141	*292*	*690*	*4 123*
Article 136	*–*	*(1 349)*	*–*	*(1 349)*
Article 140	*–*	*(10)*	*–*	*(10)*
Article 141	*(8)*	*–*	*(19)*	*(27)*
Article 143	*–*	*(244)*	*–*	*(244)*
Article 144	*(0)*	*(59)*	*–*	*(59)*
Article 145	*–*	*(37)*	*–*	*(37)*
Article 146	*–*	*(7)*	*–*	*(7)*
	(8)	*(1 706)*	*(19)*	*(1 732)*
Total	**3 133**	**(1 414)**	**672**	**2 391**

Furthermore, in July 2024 the UK paid a net amount of EUR 4,7 million (after offsetting the UK's share of EUR 0,7 million) relating to a VAT-related infringement case (Mini One-Stop Shop – MOSS).

The remaining balance of the September 2024 invoice at the end of the year, amounting to EUR 1 120 million, is payable by the UK in five equal monthly instalments in the period January to May 2025 (2023: EUR 3 133 million).

Article 140 – Outstanding commitments

The UK has committed to pay to the EU its share of the outstanding budgetary commitments at 31 December 2020 (the 'Brexit RAL'), as adjusted by the requirements of Article 140. At 31 December 2024, the total amount recognised as a receivable amounted to EUR 4 432 million (2023: EUR 8 340 million), of which EUR 1 963 million is payable within the 12 months following the year-end. The following table presents the main movements between the total amount recognised as a receivable at 31 December 2023 and the total amount recognised as a receivable at 31 December 2024:

EUR million

Amount owed by the UK at 31.12.2023	**8 340**
Net financial corrections related to 2014-2020 or previous programme periods (including adjustment of 2023 deductions)	*(35)*
Net payments received from the UK in 2024	*(3 753)*
Adjustment of estimated non-implementation	*(121)*
Total	**4 432**
Non-current	*2 469*
Current	*1 963*

The year-on-year decrease of the total amount recognised as a receivable amounted to EUR 3 909 million (2023: EUR 8 688 million) and was mainly due to the payments received from the UK in 2024.

The amount to be paid within 12 months from the reporting date (EUR 1 963 million) comprises the remaining balance of the September 2024 invoice (EUR 1 119 million) payable by the UK in the period from January to May 2025, the amount invoiced in April 2025 (EUR 599 million) payable by the UK in the period from June to September 2025, and the part of the amount to be invoiced in September 2025 payable by the UK in the period from October to December 2025 (EUR 244 million). The amount invoiced in April 2025 is composed of EUR 342 million relating to the UK's share of the estimated RAL implementation in 2025 and EUR 257 million relating to the adjustment of the UK's share of the RAL due to implementation in 2024. The amount to be invoiced in September 2025 and payable in the period October to December 2025 is made up of EUR 257 million relating to the UK's share of the estimated RAL implementation in 2025 and a negative amount of EUR 13 million relating to the UK's share of the estimated net financial corrections related to 2014-2020 or previous programme periods (including the adjustment of the 2023 deductions).

The estimated non-implementation has been adjusted by EUR 121 million to reflect the actual decommitments in 2024 as well as the future decommitments of the remaining stock of Brexit-RAL as estimated at year-end 2024.

Article 142 – Union liabilities at end 2020

The UK has committed to pay the EU its share of Union liabilities at end 2020 with the exception of liabilities: (a) with corresponding assets; and (b) relating to the operation of the budget and the management of own resources (including amounts already covered by the outstanding commitments, see Article 140 above). The main amount here concerns the EU post-employment benefit liabilities (pensions and sickness insurance) existing at 31 December 2020.

Outstanding 2020 liabilities under Article 142(6)

EUR million

	Pension Scheme of European Officials	Joint Sickness Insurance Scheme	31.12.2024	31.12.2023
Outstanding 2020 liabilities	*72 580*	*4 948*	*77 529*	*79 709*
UK Share	**9 023**	**615**	**9 638**	**9 909**
PSEO/JSIS contributions	**294**	**11**	**305**	**280**
Total	**9 317**	**626**	**9 943**	**10 189**
Non-current	*9 023*	*615*	*9 638*	*9 909*
Current	*294*	*11*	*305*	*280*

According to the default payment mode laid out in Article 142(6), the UK contributes annually to the net payments made from the Union budget in the preceding year to each beneficiary of the Pension Scheme of European Officials (PSEO) and to the related contribution of the Union budget to the Joint Sickness Insurance Scheme (JSIS) for each beneficiary or person who benefits through a beneficiary. The contributions are payable in four monthly instalments from June to September of the respective year.

The UK's share of the net payments made from the Union budget in 2024 to the beneficiaries of the PSEO and to JSIS amounted to EUR 294 million and EUR 11 million, respectively. These amounts were communicated to the UK as part of the April 2025 invoice (and thus are payable by the UK in four equal monthly instalments in the period from June to September 2025).

In addition, at 31 December 2024 the outstanding 2020 UK liabilities under Article 142(6), relating to the PSEO and the JSIS amounted to EUR 9 023 million and EUR 615 million, respectively (2023: EUR 9 207 million and EUR 703 million). It is noted that while actuarial losses (or gains) from changes in actuarial assumptions impact the present value of the outstanding 2020 liabilities calculated on the basis of IPSAS 39/EAR 12, they do not change either the amount of benefits that will have to be actually paid by the EU, or, by implication, the UK contributions to these payments as due under the default settlement mechanism set out in Article 142(6).

Outstanding 2020 liabilities under Article 142 (5)

According to Article 142 (5), the UK contributes to the liabilities relating to the other retirement (pension) schemes as they were recorded in the consolidated EU accounts for the 2020 financial year in 10 instalments starting on 31 October 2021 (with each annual instalment payable in eight monthly instalments from October to May the following year). These liabilities in the consolidated annual accounts of the Union for the 2020 financial year amounted to EUR 2 344 billion, resulting in a UK share at 31 December 2020 of EUR 291 million. Taking into account the amounts received from the UK up until the end of 2024, totalling EUR 98 million, the outstanding UK's share of the other retirement (pension) schemes had decreased to EUR 193 million at 31 December 2024, of which EUR 29 million is to be paid within the 12 months following the year-end.

For more information regarding the employee benefit schemes, please see note **1.5.10** and note **2.9**.

Other articles

EUR million

	31.12.2024	31.12.2023
Due from the UK:		
Article 136	*8*	–
Article 147	*107*	*115*
	116	**115**

EUR million

	31.12.2024	31.12.2023
Due to the UK:		
Article 136	–	*(1 451)*
Article 141	*(1 630)*	*(1 564)*
Article 143	*(191)*	*(233)*
Article 144	*(58)*	*(59)*
Article 145	*(37)*	*(74)*
Article 146	*(7)*	*(13)*
	(1 922)	**(3 394)**
Total	**(1 806)**	**(3 279)**
Non-current	*(1 040)*	*(1 602)*
Current	*(766)*	*(1 677)*

Article 136 – Provisions applicable in relation to own resources

Article 136 lays down the provisions applicable after 31 December 2020 in relation to own resources. The UK is entitled to receive its share or obliged to pay its share, as the case may be, where own resources relating to the financial years up to and including 2020 are to be made available, corrected or subject to adjustments after 31 December 2020. Thus, the UK is subject to any adjustments to VAT and GNI own resources that relate to the financial years up to and including 2020. However, these VAT and GNI adjustments will only be made if decided upon no later than 31 December 2028. Updates to the UK corrections for 2018-2019 are also to be taken into account.

In accordance with Article 136 of the Withdrawal Agreement, the UK authorities continue to send monthly A account statements providing a summary of the amounts of traditional own resources due to the EU budget. These amounts (minus applicable retention rate) are included in the total amounts of the subsequent invoice referred to in Article 148 (2) of the Withdrawal Agreement (see next paragraph). If those amounts are paid late, interest is due under Article 12 of Regulation (EU, Euratom) No 609/2014.

The UK is therefore required to pay the traditional own resources collected by them after 28 February 2021, but relating to the years 2020 and earlier. Their share of the total made available is to be deducted from this amount. The separate account for traditional own resources must be fully liquidated at 31 December 2025.

The net outstanding amount due from the UK at 31 December 2024 is EUR 8 million (2023: EUR 1 451 million, due to the UK), of which EUR 112 million will have to be paid to the UK within the 12 months following the year-end and EUR 121 million will have to be paid by the UK afterwards.

EUR million

Amount due to (-)/from (+) the UK at 31.12.2023	**(1 451)**
Adjustment of estimate for amounts invoiced in September 2024	*16*
UK share for VAT-related infringement case (MOSS)	*1*
Payments made to the UK in 2024	*1 319*
VAT and GNI adjustments (balances exercise 2023)	*(2)*
VAT and GNI adjustments (balances exercise 2024)	*121*
Interest on late payment of UK traditional own resources and VAT own resources	*4*
UK net traditional own resources after 28 February 2021	*(0)*

EUR million

Amount due to (-)/from (+) the UK at 31.12.2024	**8**
Non-current	*121*
Current	*(112)*

The amount presented under 'Payments made to the UK in 2024' is net of the UK's share of the amount for the VAT-related infringement case (Mini one-stop shop – MOSS).

The amount presented under 'VAT and GNI adjustments (balances exercise 2023)' corresponds to the difference between the April 2025 invoice (EUR – 129,4 million) and the estimate already included in the Brexit receivable at year-end 2023 (EUR – 127,7 million).

The amount presented under 'VAT and GNI adjustments (balances exercise 2024)' corresponds to the estimated amount to be invoiced in April 2026.

Article 141 – Fines

The UK is entitled to its share of fines decided on before 31 December 2020 and also those decided on by the Union after 31 December 2020 in a procedure referred to in Article 92 (1) when these become definitive. The amount of UK relevant fines which were outstanding at 31 December 2024 is EUR 8,9 billion (2023: EUR 12,4 billion). The net decrease in these fines was EUR 3,4 billion (EUR 1,2 billion in fines issued in 2024 less EUR 4,6 billion in fines confirmed and paid, reduced or cancelled by court decisions). The UK's share of the UK-relevant fines outstanding at 31 December 2024 is EUR 1,1 billion (2023: EUR 1,5 billion), out of which an amount of EUR 7 million will be included in the September 2025 invoice and paid to the UK in the period October 2025 to May 2026. In addition, the UK is entitled to its share of definitive fines which were no longer outstanding at 31 December 2024 (EUR 343 million, which was included in the April 2025 invoice and is to be paid to the UK in the period from June 2025 to September 2025, as well as EUR 146 million, to be included in the September 2025 invoice and paid to the UK in the period from October 2025 to May 2026) and its share of definitive fines that were invoiced in September 2024 but not yet paid at year-end (EUR 31 million, paid to the UK in the period from January to May 2025). The UK's total share of fines thus amounts to EUR 1,6 billion (2023: EUR 1,6 billion), of which EUR 431 million is to be paid within the 12 months following the reporting date (2023: EUR 27 million).

Articles 143 – Contingent financial liabilities: loans for financial assistance, EFSI, EFSD & ELM

Under this article, the UK is liable for its share of the EU's contingent liabilities relating to its borrowing, lending and guarantee activities, if these crystallise and if they are not covered by existing guarantee funds – see note **4.1** for the related contingent liabilities. The EU will refund to the UK amounts which the UK has already contributed to guarantee funds and which are no longer needed. The UK also has a right to the reflows from operations for which it shares the liability. At 31 December 2024, the amount to be paid to the UK, all within the next 12 months, was EUR 190,6 million (2023: EUR 243,8 million). This amount comprises the UK's share of the recoveries and net revenues collected in 2024 (EUR 104,4 million), the excess in provisioning (EUR 59,7 million) and the revenue from asset management (EUR 30,1 million). It also includes EUR – 3,6 million of adjustments identified during the agreed-upon review procedures: adjustment for amounts recovered in 2023 for ELM (EUR 1 302), adjustment to the 2023 current provisioning rate for ELM (EUR – 0,5 million), adjustment for amounts recovered in 2023 for EFSI (EUR – 3,2 million), adjustment to the 2023 current provisioning rate for EFSI (EUR 0,1 million) and adjustment to the 2023 amount for revenue of the asset management of the provisioning for EFSI (EUR – 9 448).

Articles 144 – Financial instruments

Under this article, the EU has committed to refund to the UK its share of the reflows stemming from financial operations approved by the withdrawal date, as well as its share of the disbursements made to financial operations approved after the withdrawal date. At 31 December 2024, the amount to be paid to the UK, all within the next 12 months, was EUR 57,9 million (2023: EUR 59,4 million).

Article 145 – European Coal and Steel Community in Liquidation (ECSC i.L.)

The UK is entitled to its share of the net assets of ECSC i.L. at 31 December 2020, to be paid back in five instalments on 30 June each year, starting in 2021. The net assets of the ECSC i.L. at 31 December 2020 amounted to EUR 1,5 billion, of which the UK's share is EUR 184 million. Following the payment of the fourth instalment of EUR 37 million in 2024, the outstanding amount at 31 December 2024 was EUR 37 million (2023: EUR 74 million), all of which is to be paid within 12 months following the reporting date.

Article 146 – Investment in the European Investment Fund (EIF)

The UK is entitled to its share of the EU's investment in the paid-in share capital of the EIF at 31 December 2020, to be paid back in five instalments on 30 June each year, starting in 2021. The EU's investment in the EIF paid-in share capital at 31 December 2020 was EUR 267 million of which the UK's share is EUR 33 million. Following the payment of the fourth instalment of EUR 6,6 million in 2024, the outstanding amount at 31 December 2024 was EUR 6,6 million (2023: EUR 13,3 million), all of which is to be paid within 12 months following of the reporting date.

Article 147 – Legal cases

The UK has committed to contribute its share of EU payments arising from legal cases concerning the financial interests of the Union which become due, provided the facts that constitute the subject matter of those cases occurred no later than 31 December 2020. Taking into account the provisions and accruals at year-end, as well as actual payments made and received by the EU for legal cases in 2024, the UK will have to pay an estimated EUR 107 million (2023: EUR 115 million), of which EUR 69 million is to be paid within 12 months of the reporting date.

2.6.1.3. Recoverables from fines imposed on companies

EUR million

	31.12.2024	31.12.2023
Recoverable from fines gross amount	*12 247*	*13 762*
Provisional and definitive payments	*(2 161)*	*(3 014)*
Impairment	*(934)*	*(887)*
Total	**9 152**	**9 861**
Non-current	–	–
Current	*9 152*	*9 861*

Fines imposed on companies include mainly competition fines and CO_2 excess emission premiums. Fined companies who have launched or are planning to launch an appeal have an option to either make provisional payments or to provide bank guarantees to the Commission. For the total outstanding fines at year-end that are not covered by provisional or definitive payments, EUR 7 091 million (2023: EUR 9 324 million) of guarantees have been received as coverage.

Payments received from fined companies are held either as investments (see note **2.4.2.1**) or on bank accounts under BUFI (see note **2.8**).

The amounts written down due to impairment reflect the Commission's case-by-case assessment of those fines not cashed or not covered by a guarantee, which the Commission expects not to recover, as well as cases reduced by the Courts.

Revenue from fines imposed on companies for the year totalled EUR 3 512 million (see note **3.5**) while expenses, i.e. reductions of fines by Court decisions, totalled EUR 1 123 million (see note **3.16**).

A contingent liability of EUR 2 178 million is disclosed for the possibility of having to pay back provisionally paid amounts to fined companies who are appealing or have the right to appeal the fines imposed on them – see note **4.2.1**.

2.6.1.4. Accrued income and deferred charges

EUR million

	31.12.2024	31.12.2023
Accrued income	*756*	*1 131*
Deferred charges relating to non-exchange transactions	*339*	*223*
Total	**1 095**	**1 354**
Non-current	*10*	*567*
Current	*1 085*	*787*

Accrued income includes EUR 0,4 billion (2023: EUR 1 billion) that the Commission expects to recover in the area of cohesion as a result of the examination and acceptance of the annual accounts submitted by the Member States.

2.6.2. *Receivables from exchange transactions*

EUR million

	31.12.2024	31.12.2023
Non-current		
Financial guarantee receivable	*1 324*	*1 666*
Late payment interest	*323*	*365*
Other receivables	*84*	*98*
	1 731	**2 129**
Current		
Financial guarantee receivable	*306*	*340*
Customers	*302*	*286*
Impairment on receivables from customers	*(136)*	*(158)*
Deferred charges relating to exchange transactions	*363*	*380*
Late payment interest	*761*	*1 186*
Other	*339*	*287*
	1 936	**2 321**
Total	**3 666**	**4 450**

The late payment interest concerns mainly own resources cases and accrued interest on fines covered by guarantees provided by fined companies. The non-current amount (EUR 0,3 billion) relates to the cases still ongoing with the Member States mentioned under note **2.6.1.1**.

The financial guarantee contract (FGC) receivable represents the future remuneration the EU expects to receive for guarantees given. The majority of the EU guarantees are non-remunerated or priced below the market rate. Therefore, the FGC receivable is significantly smaller than the FGC liability (see note **2.11.2**). Out of the total amount of EUR 1 629 million of the FGC receivable as at 31 December 2024, EUR 1 588 million is classified as financial assets at FVSD (fair value level 3). Compared to the opening balance as at 1 January 2023 of EUR 2 006 million, in total the FGC receivable has decreased by EUR 377 million due to EUR 274 million guarantee premiums received in 2024 and EUR 103 million lower guarantee premiums expected to be received in the future.

2.7. **INVENTORIES**

EUR million

	31.12.2024	31.12.2023
Scientific materials	*66*	*60*
Other	*19*	*20*
Total	**85**	**78**

2.8. **CASH AND CASH EQUIVALENTS**

EUR million

	Note	31.12.2024	31.12.2023
Accounts with Treasuries and Central Banks		*24 059*	*22 620*
Current accounts		*808*	*312*
Imprest accounts		*10*	*7*
Transfers (cash in transit)		*–*	*0*
Bank accounts for budget implementation	*2.8.1*	**24 877**	**22 940**
Unified funding approach	*2.8.2*	**33 926**	**12 539**
Financial instruments	*2.8.3*	**2 758**	**2 279**
Fines	*2.8.4*	**134**	**540**
Other institutions, agencies and bodies		**1 439**	**1 281**
Trust funds		**30**	**37**
Total		**63 163**	**39 616**

2.8.1. *Bank accounts for budget implementation*

This heading covers the funds which the Commission keeps in its bank accounts in each Member State and EFTA country (treasury or central bank), as well as in commercial bank current accounts, imprest accounts and petty cash accounts.

The cash balances adhere to certain cyclical patterns where expenditures follow the collection of resources. Consequently, they fluctuate based on these opposing flows. Notably, the cash balance at year-end is – to a big extent – absorbed at the beginning of the following year by a major payment of the EAGF-related expenditure.

The small difference in cash balance available at end 2024 compared to 2023 was mainly due to a somewhat slower pace in certain expenditures than forecasted.

2.8.2. *Unified funding approach*

Under the unified funding strategy, part of the borrowings stay in cash held on a bank account at the ECB. The purpose is to keep liquidity for upcoming disbursement obligations and to maintain a defined liquidity buffer, while avoiding excessive balances (see also notes **6.4** and **6.6**). The cash levels in this account fluctuate over the course of the year. The increased cash balances at the end of 2024 are due to disbursements planned for the beginning of 2025.

2.8.3. *Financial instruments*

Amounts shown under this heading primarily concern cash equivalents managed by fiduciaries on behalf of the Commission for the purpose of implementing financial instrument programmes funded by the EU budget: EUR 1,8 billion as at 31 December 2024, of which EUR 0,5 billion relates to EIC Fund – see note **2.4.2.1**. It also includes EUR 0,8 billion cash equivalents (term deposits and short term commercial papers) belonging to the Innovation Fund managed by the EIB – see note **2.4.2.1.** This heading does not cover the CPF related liquidity buffer (EUR 0,1 billion as at 31 December 2024), which is held in the Commission's central treasury. Cash belonging to financial instruments can only be used by the programmes concerned.

2.8.4. *Fines*

This is cash received in connection with fines issued by the Commission to companies for which the case is still open. Where an appeal has been lodged or when it is unknown if an appeal will be made by the fined company, the underlying amount is shown as contingent liability in note **4.2.1**. Since 2010, all provisionally cashed fines to companies have been managed by the Commission in the BUFI fund and invested in financial instruments categorised as financial assets at FVSD non-derivatives (see note **2.4.2**), with some of the fund assets being cashed at year-end.

LIABILITIES

2.9. PENSION AND OTHER EMPLOYEE BENEFITS

2.9.1. *Net employee benefit scheme liability*

EUR million

	Pension Scheme of European Officials	Other retirement benefit schemes	Joint Sickness Insurance Scheme	31.12.2024 Total	31.12.2023 Total
Defined Benefit Obligation	*84 765*	*1 942*	*6 850*	*93 557*	*91 261*
Plan assets	*N/A*	*(23)*	*(438)*	*(461)*	*(453)*
Net liability	**84 765**	**1 919**	**6 413**	**93 096**	**90 808**

The total employee benefits liability has remained relatively stable, the small increase being primarily driven by an increase in the net liability of the Pension Scheme of European Officials (PSEO), the largest scheme in place. The actuarial gains resulting from the increase in the PSEO real discount rate in the year were largely netted off by losses due to actuarial assumptions related to salary changes, thus resulting in net actuarial losses from financial assumptions (see notes **2.9.2** and **2.9.4**). It must be noted, however, that while an increase or a decrease in the real discount rate impacts the size of the liability at year-end, it does not change the amount of benefits that will have to be actually paid from the EU budget to the beneficiaries in future years. Additionally, the decrease in the net liability due to actuarial gains from experience was netted off by an increase due to the annual current service cost and interest cost (unwinding of the liability discounting) (see note **2.9.2**).

Pension Scheme of European Officials

This defined benefit obligation represents the present value of expected future payments that the EU is required to make, so as to settle the pension obligations resulting from employee service in the current and prior periods. The scheme is ongoing, and as such, all payments required to be made from the scheme on an annual basis are included in the EU budget each year.

In accordance with Article 83 of the Staff Regulations, the payment of the benefits provided for in the staff pension scheme constitutes a charge to the EU budget. The scheme is notionally funded, and the Member States guarantee the payment of these benefits collectively. A compulsory pension contribution is deducted from the basic salaries of active members, currently 12,1 %. These contributions are treated as budget revenue of the year and contribute to the funding of EU expenditure in general, see also note **3.8**.

The liabilities of the pension scheme were assessed on the basis of the number of PSEO staff (active staff, retirees, former active staff now on invalidity and dependants of deceased staff) at 31 December 2024 and on the rules of the Staff Regulations applicable at this date. This valuation was carried out in accordance with the accounting provisions of IPSAS 39 (and therefore also EU accounting rule 12).

Other retirement benefit schemes

This refers to the liability relating to the pension obligations towards Members and former Members of the Commission, the European Court of Justice and the Court of Auditors, the Council, the European Ombudsman and the European Data Protection Supervisor. Also included under this heading are liabilities relating to the pensions of Members of the European Parliament.

Joint Sickness Insurance Scheme

In addition to the above retirement benefit schemes, a valuation is made for the estimated liability that the EU has regarding the Joint Sickness Insurance Scheme (JSIS) in relation to healthcare costs, which must be paid during post-activity periods (net of their contributions). As stated in note **1.5.10**, the calculation of this liability takes account of the full active service period, ensuring that both the pension and the sickness insurance schemes of the staff's post-employment plan are accounted for consistently.

Taking into account the obligation to faithfully present the economic substance of the underlying situation as required by both EAR and IPSAS, IPSAS 39 has not been interpreted in a stricter sense when attributing the benefits to the periods of service. If the service cost were to be accrued for the JSIS scheme fully over 10 years for all officials, as opposed to the period of active service of the employee, the impact of such an approach on the defined benefit obligation at year-end would be an increase of EUR 1,2 billion. However, as already indicated, this stricter approach would not be compatible with the qualitative characteristic of faithful representation, and thus would not be deemed to provide reliable information in accordance with EAR 1 and the IPSAS Conceptual Framework. This estimate is highly sensitive to the evolution of current staff administrative status (in particular, the number of fixed-term contract members assumed to become officials in the future).

2.9.2. *Movement in present value of employee benefits defined benefit obligation*

The present value of the defined benefit obligation is the discounted expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

An analysis of the current year movement in the defined benefit obligation is presented below:

EUR million

	Pension Scheme of European Officials	Other retirement benefit schemes	Joint Sickness Insurance Scheme	Total
Present value as at 31.12.2023	**82 718**	**1 808**	**6 735**	**91 261**
Recognised in statement of financial performance				
Current Service Cost	*2 839*	*76*	*241*	*3 156*
Interest cost	*2 480*	*53*	*209*	*2 742*
Past Service Cost	–	*(3)*	–	*(3)*
Recognised in net assets				
Remeasurements in employee benefits liabilities				
Actuarial (gains)/losses from experience	*(1 542)*	*138*	*(119)*	*(1 523)*
Actuarial (gains)/losses from demographic assumptions	*308*	*3*	*18*	*329*
Actuarial (gains)/losses from financial assumptions	*339*	*(52)*	*(102)*	*185*
Other				
Benefits paid	*(2 378)*	*(82)*	*(131)*	*(2 591)*
Present value as at 31.12.2024	**84 765**	**1 942**	**6 850**	**93 557**

Current service cost is the increase in the present value of the defined benefit obligation arising from current members' service in the current year.

Interest cost refers to the increase during the period in the present value of the defined benefit obligation because the benefits are one period closer to settlement.

Actuarial gains and losses from experience refer to the effects of differences between what was expected according to the assumptions made in the previous year for 2024 and what really occurred in 2024. This item also reflects the impact of newcomers (staff members present in the current exercise but not in the previous one).

Actuarial gains and losses from changes in the values of the actuarial assumptions (demographic variables such as employee turnover and mortality and financial variables such as discount rates and expected salary increases) arise when the estimated values of those assumptions are updated in order to reflect the underlying conditions.

Benefits (for example, pensions or medical cost reimbursements) are paid during the year according to the rules of the scheme. These benefits paid lead to a decrease in the defined benefit obligation.

2.9.3. *Plan assets*

EUR million

	Other retirement benefit schemes	Joint Sickness Insurance Scheme	Total
Present value as at 31.12.2023	**34**	**419**	**453**
Net movement in plan assets	*(11)*	*19*	*8*
Present value as at 31.12.2024	**23**	**438**	**461**

2.9.4. *Actuarial assumptions – employee benefits*

The principal actuarial assumptions used in the valuation of the two main employee benefit schemes of the EU are shown below:

	2024	2023
Pension Scheme of European Officials		
Nominal discount rate	*3,3 %*	*3,0 %*
Expected inflation rate	*2,0 %*	*2,2 %*
Real discount rate	*1,3 %*	*0,8 %*
Expected rate of future salary increases	*1,3 %*	*1,1 %*
Retirement age	*63/64/66*	*63/64/66*
Joint Sickness Insurance Scheme		
Nominal discount rate	*3,3 %*	*3,1 %*
Expected inflation rate	*2,0 %*	*2,2 %*
Real discount rate	*1,3 %*	*0,8 %*
Expected rate of future salary increases	*1,3 %*	*1,1 %*
Medical cost trend rates	*1,6 %*	*1,7 %*
Retirement age	*63/64/66*	*63/64/66*

Mortality rates for 2024 are based on the updated EU Civil Servants Life Table – EULT 2023, incorporating a dynamic trend over the next 18 years.

The nominal discount rate is determined as the value of the Euro zero-coupon yield (with a maturity of 18 years as of December 2024 for the PSEO, and 19 years for the Joint Sickness Insurance Scheme). The inflation rate used is the expected inflation rate over the equivalent period: the break-even inflation is retrieved by comparing the yields of inflation-linked and regular government bonds of the main European financial markets. The real discount rate is calculated from the nominal discount rate and the expected long-term inflation rate.

2.9.5. *Sensitivity analysis*

The sensitivity analysis is based on simulations, which change, everything else being equal, the value of the concerned assumptions.

Pension Scheme of European Officials sensitivity

A ten basis point (0,1 %) change in the assumed real discount rate would have the following effects:

EUR million

	2024		2023	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*(1 516)*	*1 558*	*(1 541)*	*1 585*

A ten basis point (0,1 %) change in expected salary increases would have the following effects:

EUR million

	2024		2023	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*1 514*	*(1 476)*	*1 532*	*(1 493)*

A one-year change in assumed retirement age would have the following effects:

EUR million

	2024		2023	
	One year increase	One year decrease	One year increase	One year decrease
Defined benefit obligation	*(799)*	*1 109*	*(795)*	*1 076*

Joint Sickness Insurance Scheme sensitivity

A ten basis point change in assumed medical cost trend rates would have the following effects:

EUR million

	2024		2023	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
The aggregate of the current service cost and interest cost components of net periodic post-employment medical costs	*11*	*(11)*	*12*	*(12)*
Defined benefit obligation	*166*	*(162)*	*166*	*(162)*

A ten basis point (0,1 %) change in the assumed nominal discount rate would have the following effects:

EUR million

	2024		2023	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*(130)*	*133*	*(132)*	*135*

A ten basis point (0,1 %) change in expected salary increases would have the following effects:

EUR million

	2024		2023	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*(27)*	*26*	*(25)*	*25*

A one-year change in assumed retirement age would have the following effects:

EUR million

	2024		2023	
	One year increase	One year decrease	One year increase	One year decrease
Defined benefit obligation	*(185)*	*197*	*(188)*	*199*

2.10. **PROVISIONS**

EUR million

	Amount at 31.12.2023	Additional provisions	Unused amounts reversed	Amounts used	Transfer between categories	Change in estimation	Amount at 31.12.2024
Legal cases:							
Agriculture	*1*	*204*	*–*	*(1)*	*–*	*–*	*204*
Other	*823*	*11*	*(197)*	*(536)*	*–*	*0*	*100*
Nuclear site dismantlement	*1 768*	*–*	*–*	*(46)*	*–*	*75*	*1 796*
Financial	*1*	*7 082*	*(1)*	*–*	*–*	*0*	*7 082*
Other	*742*	*137*	*(228)*	*(16)*	*–*	*(2)*	*633*
Total	**3 334**	**7 434**	**(426)**	**(599)**	**–**	**73**	**9 816**
Non-current	**2 102**	**204**	**(12)**	**(23)**	**(63)**	**73**	**2 280**
Current	**1 233**	**7 230**	**(414)**	**(576)**	**63**	**(0)**	**7 536**

Provisions are reliably estimated amounts, arising from past events, that will probably have to be paid by the EU budget in the future.

Financial provisions

The additions are provisions for ECL on MFA loan commitments under ULCM (see note **2.4.1.1**). At 31 December 2024, the EU had irrevocably committed to disburse EUR 18,1 billion to Ukraine. This loan will be disbursed in 2025. According to the accounting standards, the EU has to recognise the ECL as a provision at the moment of irrevocable commitment.

Legal cases

This is the estimate of amounts that will probably have to be paid out after the year-end in relation to a number of on-going legal cases. The Agriculture amounts relate to legal actions of Member States against conformity clearance decisions for the EAGF and the EAFRD.

Nuclear site dismantlement

As of 2017 the basis for the provision was updated as per the 'JRC Decommissioning & Waste Management Programme Strategy (D&WMP) – Updated in 2017'. The review of the strategy, along with budget and staff needs, was conducted together with the independent D&WMP Expert Group. It represents the best available estimate of the budget and staff needed to complete the decommissioning of the JRC sites of Ispra, Geel, Karlsruhe and Petten.

In accordance with the EU accounting rules, this provision is indexed for inflation and then discounted to its net present value (using the euro swap curve). At 31 December 2024, this resulted in a provision of EUR 1 796 million, split between amounts expected to be used in 2025 (EUR 38 million) and afterwards (EUR 1 758 million).

It must be noted that major uncertainties, inherent to the long term planning of nuclear decommissioning, could affect this estimate, which could significantly increase in the future. The main sources of uncertainty are related to the end state of the decommissioned site, nuclear materials, waste management and disposal aspects, incomplete or lacking definition of national regulatory frames, complicated and time-consuming licensing processes and future developments of the decommissioning industrial market.

2.11. **FINANCIAL LIABILITIES**

EUR million

	Note	31.12.2024	31.12.2023
Non-current			
Financial liabilities at amortised cost	*2.11.1*	*539 522*	*430 633*
Financial liabilities at fair value through surplus or deficit	*2.4.2.2*	*13*	*8*
Financial guarantee liabilities	*2.11.2*	*39*	*131*
		539 575	**430 771**
Current			
Financial liabilities at amortised cost	*2.11.1*	*55 904*	*21 424*
Financial liabilities at fair value through surplus or deficit	*2.4.2.2*	*84*	*52*
Financial guarantee liabilities	*2.11.2*	*6 340*	*6 137*
		62 328	**27 613**
Total		**601 903**	**458 385**

2.11.1. *Financial liabilities at amortised cost*

EUR million

	Note	31.12.2024	31.12.2023
Borrowings	*2.11.1.1*	*594 028*	*450 561*
Other financial liabilities	*2.11.1.2*	*1 398*	*1 496*
Total		**595 426**	**452 057**
Non-Current		*539 522*	*430 633*
Current		*55 904*	*21 424*

2.11.1.1. Borrowings

EUR million

	Unified Funding Approach	SURE	EFSM	BOP	MFA	Euratom	Total
Total at 31.12.2023	*292 728*	*98 984*	*43 095*	*201*	*15 238*	*314*	*450 561*
New borrowings - nominal	*194 472*	*–*	*1 800*	*–*	*145*	*–*	*196 417*
Repayments	*(50 404)*	*–*	*(2 600)*	*–*	*(600)*	*(13)*	*(53 617)*
Changes in carrying amount	*832*	*(145)*	*2*	*0*	*(21)*	*(0)*	*667*
Total at 31.12.2024	**437 628**	**98 839**	**42 297**	**201**	**14 762**	**301**	**594 028**
Non-current	*393 285*	*90 539*	*39 517*	*–*	*14 624*	*300*	*538 266*
Current	*44 342*	*8 300*	*2 780*	*201*	*138*	*0*	*55 762*

The nominal amount of borrowings at 31 December 2024 is EUR 601,3 billion (2023: EUR 458,5 billion). The majority of the borrowings are long-term bond issuances, except for unified funding where also short-term EU-Bills of EUR 23,1 billion (2023: EUR 15,2 billion) have been issued. The net new borrowing in 2024 was EUR 142,8 billion (nominal).

The amounts borrowed for SURE, EFSM, BOP, Euratom and MFA loans signed before 2023 are 'back-to-back' transactions which means that the EU issues a dedicated bond to fund a specific loan agreement, at the same terms and conditions – see note **2.4.1.1**.

The 'unified funding' finances the NGEU loans and non-repayable support as well as the Ukraine Facility and MFA loans signed as of 2023. The Commission uses a pooled funding approach where the borrowings are not directly funding specific disbursements. Instead, the debt is issued according to an annual borrowing plan, with long-term bonds and short-term bills. The Commission uses auctions and syndications to issue these securities. It then passes on the costs, in line with the cost allocation methodology agreed with Member States, to the Member States for the loans and to the EU budget for the non-repayable support. This funding flexibility also requires a liquidity buffer for an efficient liquidity management, see note **2.8.2.** In the context of the unified funding strategy, the Union issues short-term EU-Bills (3 to 12 months), which may be repaid during the same or following year. The line 'Repayments' refers to EUR 50,2 billion of such short-term borrowings.

Another EUR 0,2 billion in the line 'Repayments' and in the line 'New borrowings' refers to repurchase agreement operations (repo) that the EU offers as of 2024 to its primary dealers to improve the efficiency and fluidity of the market for EU-Bonds.

The line 'Changes in carrying amount' corresponds to the change in accrued interest and to the changes in premiums/discounts (new premiums/discounts and amortisation).

The repayment of the above borrowings is ultimately guaranteed by the EU budget – see note **2.4.1.1**.

2.11.1.2. Other financial liabilities

EUR million

	31.12.2024	31.12.2023
Non-current		
Finance lease liabilities	*605*	*750*
Buildings paid for in instalments	*283*	*288*
Contributions with conditions	*234*	*177*
Other	*134*	*129*
	1 256	**1 343**
Current		
Finance lease liabilities	*79*	*91*
Buildings paid for in instalments	*55*	*55*
Contributions with conditions	*8*	*7*
Other	–	–
	142	**153**
Total	**1 398**	**1 496**

Finance lease liabilities

EUR million

	Future amounts to be paid			
	< 1 year	1-5 years	> 5 years	Total Liability
Land and buildings	*77*	*279*	*321*	*677*
Other fixed assets	*2*	*5*	–	*7*
Total at 31.12.2024	**79**	**283**	**321**	**683**
Interest element	*24*	*77*	*72*	*173*
Total future minimum lease payments at 31.12.2024	**102**	**361**	**393**	**856**
Total future minimum lease payments at 31.12.2023	*121*	*448*	*453*	*1 022*

The lease and building related amounts above will have to be funded by future budgets.

Contributions with conditions relate to contributions from Member States and other donors to the EU programmes, in particular to InvestEU (see note **4.1.1**), whereby the EU has an obligation to return any unused funds to the contributor.

2.11.2. *Financial guarantee liabilities*

EUR million

	31.12.2024		31.12.2023	
	Financial guarantee receivable (Note 2.6.2)	Financial guarantee liability	Financial guarantee receivable (Note 2.6.2)	Financial guarantee liability
EU budgetary guarantee programmes				
EIB ELM guarantees	*19*	*1 862*	*51*	*2 170*
EFSI guarantee	*1 345*	*1 402*	*1 789*	*1 863*
EFSD guarantee	*7*	*192*	*4*	*196*
InvestEU guarantee	*190*	*1 606*	*117*	*920*
NDICI EU guarantee	*30*	*582*	*10*	*367*
Ukraine guarantee	*10*	*61*	*–*	*–*
	1 600	**5 707**	**1 970**	**5 515**
EU financial instrument programmes				
COSME	*–*	*304*	*0*	*338*
Horizon 2020	*6*	*198*	*9*	*266*
Other	*23*	*171*	*27*	*149*
	29	**673**	**36**	**753**
Total	**1 629**	**6 379**	**2 006**	**6 268**
Non-current	*1 324*	*39*	*1 666*	*131*
Current	*306*	*6 340*	*340*	*6 137*

The EU applies the gross presentation of the financial guarantee contracts, where the revenues still to be received under the guarantee are recognised as a financial guarantee receivable leg (presented under the exchange receivables heading – see note **2.6.2**) and a financial guarantee liability is recognised representing the EU liabililty for coverage of the future guarantee claims.

While, the ELM and EFSI financial guarantee liabilities remain significant, the guarantees under new programmes in this MFF, namely InvestEU, NDICI, and Ukraine guarantee started in 2024, continue to increase due to signatures of new operations by the EU implementing partners (see also note **4.1.1**).

Except for the EFSI guarantee, where the EU is entitled to an expected remuneration – recognised as a financial guarantee receivable – covering to a large extent the liability, for the remaining programmes the expected revenues are covering only a small fraction of the guarantee. This is due to a high share of EU subsidisation for those programmes, in particular those provided for higher-risk financing to SMEs or to the innovation sector, as well as guarantees for projects in developing countries.

2.12. **PAYABLES**

EUR million

	Gross Amount	Adjustments	Net Amount at 31.12.2024	Gross Amount	Adjustments	Net Amount at 31.12.2023
Cost claims and invoices received from:						
Member States						

EUR million

	Gross Amount	Adjustments	Net Amount at 31.12.2024	Gross Amount	Adjustments	Net Amount at 31.12.2023
EAFRD & other rural development instruments	*269*	*(0)*	*269*	*300*	*(0)*	*300*
ERDF & CF	*6 036*	*(2 258)*	*3 778*	*7 251*	*(1 995)*	*5 256*
ESF	*2 156*	*(447)*	*1 708*	*2 062*	*(310)*	*1 752*
RRF (NGEU)	*28 016*	*(724)*	*27 292*	*22 427*		*22 427*
Other	*1 824*	*(318)*	*1 506*	*1 124*	*(225)*	*899*
Private and public entities	*1 957*	*(334)*	*1 623*	*1 859*	*(407)*	*1 452*
Total cost claims and invoices received	**40 258**	**(4 082)**	**36 176**	**35 023**	**(2 937)**	**32 085**
EAGF	**15 086**	**N/A**	**15 086**	**12 503**	**N/A**	**12 503**
Own resources payables	-	**N/A**	-	**3 248**	**N/A**	**3 248**
Sundry payables	**3 624**	**N/A**	**3 624**	**2 277**	**N/A**	**2 277**
Other	**528**	**N/A**	**528**	**402**	**N/A**	**402**
Total	**59 496**	**(4 082)**	**55 414**	**53 453**	**(2 937)**	**50 516**

Payables include invoices and cost claims received but not yet paid at year-end. They are initially recognised at the time of the reception of the invoices or cost claims for the requested amounts. The payables are subsequently adjusted to reflect only the amounts accepted following review of costs, and the amounts estimated to be eligible. The amounts estimated to be non-eligible are included in the column 'Adjustments'; the largest amounts concern the structural actions.

The increase in RRF payables by EUR 4,9 billion indicates that there were more payment requests received towards the end of the year for which the assessment of milestones and targets was still pending.

The increase in EAGF payables relates to the repartition of the total EAGF liabilities between payables and accrued charges. The total EAGF liabilities remain relatively stable at EUR 40 672 million against EUR 40 843 million in the previous year. In 2024, the claimed amounts, accounted for as payables, are higher than in 2023, while the accruals have decreased by a similar amount.

The CPR (Common Provisions Regulations (EU) No 1303/2013 [27] and (EU) 2021/1060 [28] of the European Parliament and of the Council) applicable to the Structural Funds (ERDF and ESF), the Cohesion Fund and to the European Maritime and Fisheries Fund (EMFF) foresees that the EU budget is protected by means of a systematic retention on the interim payments made. By February following the end of the CPR accounting year (1 July – 30 June), the control cycle is complete, both through management verifications by the managing authorities and audits by the audit authorities. The Commission examines the assurance documents and the accounts provided by the relevant authorities in the Member States. The payment/recovery of the final balance is made only after this assessment is finalised and the accounts are accepted. The amount retained according to this provision at end 2024 totalled EUR 9,3 billion. A part of this amount (EUR 1,1 billion) is estimated as being non-eligible on the basis of the information provided by the Member States in their accounts and is also included in the column 'Adjustments'.

[27] Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320, ELI: http://data.europa.eu/eli/reg/2013/1303/oj).

[28] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: http://data.europa.eu/eli/reg/2021/1060/oj).

Requests for pre-financing

In addition to the above amounts, at the end of 2024, EUR 2,1 billion of requests for pre-financing have been received and were not yet paid at year-end. According to the EU accounting rules, these amounts are not booked as payables.

Own Resources Payables

Own resources payables refer to Member States EU budget contributions to be reimbursed at year-end. Amending budgets are implemented according to Article 10a(3) of Regulation (EU, Euratom) No 609/2014. The large balance at 31 December 2023 was due to the adoption of the amending budget No 4/2023 on 22 November 2023. According to this legal provision, the resulting amounts were returned to the Member States on the first working day of January 2024. This year there was no similar amending budget, thus no such payables.

2.13. **ACCRUED CHARGES AND DEFERRED INCOME**

EUR million

	31.12.2024	31.12.2023
Accrued charges	*66 792*	*76 237*
Deferred income	*159*	*182*
Other	*140*	*386*
Total	**67 091**	**76 805**

The split of accrued charges is as follows:

EUR million

	31.12.2024	31.12.2023
RRF (NGEU)	*4 371*	*3 709*
EAGF	*25 586*	*28 339*
EAFRD and other rural development instruments	*17 374*	*17 895*
ERDF and CF	*3 101*	*11 052*
ESF	*2 318*	*3 882*
Other	*14 042*	*11 360*
Total	**66 792**	**76 237**

Accrued charges refer to recognised expenses for which the Union has still to receive cost claims. The biggest movement concerns cohesion policy, a decrease of EUR 8 billion for ERDF & CF and EUR 1,6 billion for ESF. This is due to the decreasing accruals of the former programming period 2014-2020 as the programmes have entered the closure phase. For the decrease in EAGF accrued charges see note **2.12**.

NET ASSETS

2.14. **RESERVES**

EUR million

		31.12.2024	31.12.2023
Other reserves		*986*	*1 052*
Total		**986**	**1 052**

The amount relates primarily to the reserves of the ECSC i.L. (EUR 593 million) for the assets of the Research Fund for Coal and Steel, which were created in the context of the winding-up of the ECSC i.L., as well as to the reserve fund of the European Union Intellectual Property Office, ensuring the continuity of its operations (EUR 293 million).

2.15. **AMOUNTS TO BE CALLED FROM MEMBER STATES**

EUR million

Amounts to be called from Member States at 31.12.2023	**213 221**
2023 budget result credited to Member States	*633*
Remeasurements in employee benefits liabilities	*(1 159)*
Other	*(94)*
Economic result of the year	*97 208*
Total amounts to be called from Member States at 31.12.2024	**309 810**

This amount represents that part of the expenses incurred by the EU up to 31 December that must be funded by future budgets. Many expenses are recognised under accrual accounting rules in the year N although they may be actually paid in year N+1 (or later) and therefore funded using the budget of year N+1 (or later). The inclusion in the accounts of these liabilities coupled with the fact that the corresponding amounts are financed from future budgets, results in liabilities greatly exceeding assets at the year-end. The most significant amounts to be highlighted concern the borrowings in relation to non-repayable support taken out under NGEU, EAGF activities and employee benefit liabilities.

It should also be noted that the above has no effect on the budget result – budget revenue should always equal or exceed budget expenditure and any excess of revenue is returned to Member States.

The remeasurements in employee benefits liabilities relate to actuarial gains and losses arising from the actuarial valuation of these liabilities.

The considerable increase of the amounts to be called from Member States in the past years is primarily due to the borrowings in relation to non-repayable support taken out under NGEU in this period.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

REVENUE FROM NON-EXCHANGE TRANSACTIONS: OWN RESOURCES

3.1. GNI RESOURCES

Own resources revenue is the primary element of the EU's operational revenue. GNI (gross national income) revenue is the most significant of the four categories of own resources. A uniform percentage is levied on the GNI of each Member State. The GNI revenue balances revenue and expenditure, i.e. it funds the part of the budget that is not covered by other sources of income. The decrease of GNI revenue in 2024 compared to 2023 is explained to a great extent by a reduction of the payment appropriations needs.

3.2. TRADITIONAL OWN RESOURCES

Traditional own resources relate mainly to customs duties where Member States retain, by way of collection costs, 25 % of the amounts, so the above figures are net of this deduction. The level of import duties reflects essentially the combination of fluctuations in the value of imports from outside the EU and changes in the common tariff, which has been lowered on many occasions following the negotiations within the World Trade Organisation (WTO), and specific agreements granting tariff preferences to certain trading partners or to certain products. The level thus depends also on the general economic situation, the level of world prices and the impact of exchange rates.

3.3. VAT RESOURCES

The VAT own resource is calculated based on Member States' VAT bases, which are harmonised for this purpose in accordance with EU rules. A uniform call rate of 0,30 % applies to each Member State's total amount of VAT receipts collected for all taxable supplies divided by the weighted average VAT rate. The VAT base is capped at 50 % of each Member State's GNI.

3.4. PLASTICS OWN RESOURCES

A uniform call rate of EUR 0,80 per kilogram applies to the weight of plastic packaging waste generated in each Member State that is not recycled. The plastic packaging waste that is not recycled in a given year is calculated as the difference between the plastic packaging waste generated and the plastic packaging waste recycled in that year in a Member State. Bulgaria, Czechia, Estonia, Greece, Spain, Croatia, Italy, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia and Slovakia are entitled to specific annual lump sum reductions in their respective plastics own resource contributions. This relatively new own resource was introduced in 2021 with the entry into force of the new Own Resources Decision (Council Decision (EU, Euratom) 2020/2053) ([29]).

REVENUE FROM NON-EXCHANGE TRANSACTIONS: TRANSFERS

3.5. FINES

Revenue of EUR 4 039 million (2023: EUR 1 748 million) relates mainly to fines the Commission has imposed on companies for breaching EU competition rules (EUR 3 509 million) and fines imposed on Member States for infringing EU law (EUR 527 million).

([29]) Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1, ELI: http://data.europa.eu/eli/dec/2020/2053/oj).

3.6. **RECOVERY OF EXPENSES**

EUR million

	2024	2023
Shared management	*755*	*691*
Direct management	*157*	*102*
Indirect management	*44*	*10*
Total	**957**	**803**

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. The recovery orders are issued so as to recover expenditure previously paid out from the EU budget. Recoveries are based on controls, audits or eligibility analysis and therefore, these operations protect the EU budget from expenditure incurred in breach of law.

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 year-end, are also included.

The amounts included in the above table represent revenue earned 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. The EU budget is also protected by withdrawals of expenditure and recoveries of pre-financing. Shared management recoveries make 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 are amounts that the Commission expects to recover from the Member States. The recovery will be made following the examination and acceptance of the annual accounts submitted by the Member States in early 2025. The amounts to be recovered represent essentially the difference between amounts initially declared as eligible during the accounting year and the amounts confirmed as eligible in the annual accounts of the Member States. A low amount means that the controls in place at Member State level enabled the detection of ineligible amounts early in the process.

3.7. **UK WITHDRAWAL AGREEMENT**

This revenue relates to the net amounts owed by the UK under the Withdrawal Agreement signed following its departure from the Union in 2020 (see note **2.6.1.2**), adjusted each year in accordance with the requirements of the Agreement. In 2024, there was no revenue resulting fom the UK Withdrawal Agreement; instead an expense was recognised.

3.8. **OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS**

EUR million

	2024	2023
Contributions from Member States:		
Innovation Fund	*2 297*	*1 812*
External aid	*671*	*165*
Invest EU	*207*	*179*
Staff taxes and contributions	*1 754*	*1 565*
Contribution from other entities to the EC	*6 393*	*3 456*
Contribution from EFTA, third countries and accession countries	*4 527*	*1 770*
Transfer of assets	*307*	*280*
Budgetary adjustments	*(6 169)*	*(1 058)*
Adjustment of provisions	*426*	*407*
Other	*261*	*224*
Total	**10 673**	**8 800**

Contributions from Member States to the Innovation Fund are revenues relating mainly to the sale of emission allowances that are to be used to support innovation in low-carbon technologies. The increase compared to 2023 is linked to the higher volume of ETS allowances sold that were allocated to the Innovation Fund. Contributions from Member States for external aid include primarily the interest rate contributions for the MFA+ loans to Ukraine (EUR 0,6 billion).

Staff taxes and contributions revenue relate primarily to the deductions from staff salaries. Retirement contributions and income tax represent the substantial amounts within this category.

Contributions from other entities to the EC include primarily reflows (EUR 0,3 billion) transferred by EIB under the ACP (African, Caribbean and Pacific) and the OCT (Overseas Countries and territories) Investment Facilities and auctioning revenue (EUR 5,9 billion) generated under the ETS allowances, a funding source also used to provide additional support to Member States through REPowerEU chapters.

Contributions from EFTA countries amount to EUR 1,1 billion and contributions from third countries and accession countries mainly include financial contributions to Horizon Europe (EUR 2,8 billion).

The budgetary adjustment is mainly linked to the adjustments in the VAT and GNI-based own resources from previous financial years. With this operation, the Commission redistributes the total VAT and GNI balances, positive or negative, to the Member States in accordance with their GNI key. The decrease is linked to lower budget surplus from the previous year and higher amounts to be re-distributed for GNI, VAT and Plastics own resources.

Other revenue from non-exchange transactions includes the ITER Host State and Membership contributions to Fusion for Energy, the European Joint Undertaking for ITER and the Development of Fusion Energy (EUR 68,2 million).

REVENUE FROM EXCHANGE TRANSACTIONS

3.9. **FINANCIAL REVENUE**

EUR million

	2024	2023
Interest on:		
Late payments	*224*	*(121)*
Loans	*4 129*	*2 305*
Cash & cash equivalents	*1 726*	*1 778*
Borrowings	*228*	*229*
Other	*38*	*9*
Revenue from FGCs	*971*	*887*
Gains on financial assets or liabilities at FVSD:		
Non-derivatives	*1 490*	*1 695*
Derivatives	*165*	*149*
Dividends	*31*	*46*
Other	*4*	*6*
Total	**9 005**	**6 983**

Interest revenue on late payments stems mainly from fines and own resources contributions due and not paid on time.

The interests on loans have increased mainly because of RRF/REPowerEU, MFA and Ukraine Facility. For RRF/REPower the interests were EUR 2 billion in 2024 compared to EUR 0,7 billion in the previous year. There were new disbursements in 2024 and the disbursements of the second half of 2023 earned a full year's interest in 2024. For MFA the interests were EUR 0,8 billion compared to EUR 0,5 billion in 2023. The increase mainly comes from MFA+ disbursements of 2023, which earned a full year's interest in 2024. For Ukraine Facility the interests were EUR 0,2 billion, this is a new facility with disbursements during the second semester of 2024.

Interest revenue from cash and cash equivalents is mainly EUR 1,2 billion of interest on the bank account held at the ECB for the management of the liquidity pool related to the unified funding approach (see note 2.8.2).

Interest revenue from borrowings mainly refers to SURE and results from the negative effective interest rates for certain past issuances.

Revenue from financial guarantee contracts relates primarily to the amortisation of the financial guarantee liabilities. It can be interpreted as a release of the EU from guarantee liabilities for the period the EU was standing ready to compensate the holders of the guarantees for their credit losses. Thus, the revenue recognition for financial guarantees reflects the passage of time and the guaranteed volume. The amortisations apply to both types of guarantees, those which are remunerated and those for which the EU charges no or nominal remuneration (see note 2.11.2). Out of the remunerated guarantees, the most significant is the EFSI guarantee provided to the EIB for the Infrastructure and Innovation Window ('IIW') debt portfolio and combined with InvestEU debt portfolios (see note 4.1.1). In 2024, the revenue earned by the EFSI guarantee in relation to those combined debt portfolios amounted to EUR 242 million.

The revenue related to financial guarantee contracts of EUR 971 million is offset by impairment losses for financial guarantee liabilities amounting to EUR 474 million relating to: guarantee calls net of recoveries of EUR 462 million and unrealised impairment losses of EUR 12 million (see notes 3.15 and 6.6). In addition, the EU has subsidised financial guarantee programmes (EUR 1 156 million) by charging no or below market rate guarantee premiums (see note 3.15). In total, the net result from financial guarantee programmes is a deficit of EUR 658 million.

The gain from non-derivative financial assets at FVSD mainly refers to the CPF (EUR 0,9 billion) and the Innovation Fund (EUR 0,3 billion). The interest rate cuts have impacted positively the fair value of the securities.

3.10. **OTHER REVENUE FROM EXCHANGE TRANSACTIONS**

EUR million

	2024	2023
Fee revenue for rendering of services (agencies)	*855*	*739*
Foreign exchange gains	*325*	*393*
Sales of goods	*58*	*75*
Share of net result of EIF	*83*	*67*
Fixed assets related revenue	*907*	*9*
Other	*364*	*679*
Total	**2 592**	**1 963**

Fee revenue for rendering of services mainly includes marketing authorisation fees charged by the European Medicines Agency and trademark fees collected by the European Union Intellectual Property Office. The increase in fixed assets related revenue is mainly due to the sale of 23 Commission buildings in Brussels – see note **2.2**.

EXPENSES

3.11. **SHARED MANAGEMENT**

EUR million

Implemented by Member States	2024	2023
European Agricultural Guarantee Fund	*40 267*	*40 716*
European Agricultural Fund for Rural Development and other rural development instruments	*14 779*	*14 605*
European Regional Development Fund and Cohesion Fund	*28 833*	*52 429*
European Social Fund	*18 037*	*17 665*
Other	*3 854*	*4 251*
Total	**105 770**	**129 667**

The transition from the former programming period 2014-2020 to the current programming period 2021-2027 explains the reduction of expenses of EUR 23,6 billion for ERDF & CF: the costs declared for the period 2014-2020 decreased substantially (EUR 30,4 billion) as the implementation has finished and the programmes have entered the closure phase. At the same time the costs declared for the period 2021-2027 increased but only by EUR 6,9 billion as the programmes are now advancing.

Other expenses mainly relate to the European Maritime and Fisheries Fund (EUR 0,8 billion), Asylum and Migration (EUR 1,2 billion), the Fund for European Aid to the Most Deprived (EUR 0,4 billion), as well as the European Union Solidarity Fund (EUR 0,4 billion).

3.12. **DIRECT MANAGEMENT**

EUR million

	2024	2023
Implemented by the Commission	*79 652*	*45 664*
of which RRF (NGEU)	*65 787*	*36 045*
Implemented by EU Executive Agencies	*19 126*	*15 897*
Implemented by Trust funds	*194*	*326*
Total	**98 971**	**61 888**

The increase in direct management expenses implemented by the Commission relates mainly to the implementation of RRF, Research Policy and External Action. The main expenditure concerns RRF (EUR 65,8 billion), which has increased from the previous year as Member States use the funds provided and milestones and targets are achieved. The rest of the amounts under direct management primarily concern the implementation of Research Policy (EUR 10,6 billion) and External Actions, which include the Neighbourhood Development and International Cooperation Instrument and its precursors (EUR 3,7 billion), as well as the Ukraine Facility non repayable support (EUR 3,4 billion). A further EUR 4,8 billion relates to the Connecting Europe Facility, the common infrastructure fund to deploy smart networks in the area of transport, energy and telecommunications.

3.13. **INDIRECT MANAGEMENT**

EUR million

	2024	2023
Implemented by other EU agencies & bodies	*4 388*	*4 226*
Implemented by third countries	*549*	*479*
Implemented by international organisations	*6 090*	*5 610*
Implemented by other entities	*5 599*	*4 902*
Total	**16 626**	**15 218**

Under indirect management expenses, EUR 8,3 billion relates to external actions (mainly in the areas of pre-accession, humanitarian aid, international co-operation and neighbourhood). A further EUR 4 billion is related to increasing Europe's competitiveness (in areas such as research, space programmes and education).

3.14. **STAFF AND PENSION COSTS**

EUR million

	2024	2023
Staff costs	*9 070*	*8 481*
Pension costs	*5 896*	*5 543*
Total	**14 966**	**14 023**

Pension costs represent elements of the movements that have arisen following the actuarial valuation of the employee benefits liabilities other than those recognised in net assets. They do not therefore represent actual pension payments of the year, which are significantly lower at EUR 2,6 billion.

3.15. **FINANCE COSTS**

EUR million

	2024	2023
Interest expenses:		
Borrowings	*9 780*	*5 762*
Loans	*159*	*160*
Finance leases	*31*	*45*
Other	*32*	*21*
FGCs – subsidised remuneration	*1 156*	*762*
Net impairment losses on:		
FGCs	*474*	*263*
Loans, loan commitments and receivables	*14 134*	*6 812*
Loss on financial assets or liabilities at FVSD:		
Non-derivatives	*153*	*137*
Derivatives	*252*	*104*
Modification loss	*763*	*100*
Funding costs guaranteed	*151*	*94*
Other	*140*	*95*
Total	**27 226**	**14 355**

The EUR 4 billion increase in the borrowing expenses stems from the unified funding activities, for which the interests were EUR 8,4 billion compared to EUR 4,4 billion in the previous year. The reasons for this are new borrowings in 2024 and due to the fact that the issuances of the second semester 2023, beared a full year's interest in 2024.

The interest expense on loans is the result of certain SURE transactions, where funds borrowed at times of negative interest rates, were lent 'back-to-back' to the Member States, with the same terms and conditions.

For more details on expenses related to financial guarantees (FGC), see note **3.9**.

The net impairment losses on loans, loan commitments and receivables mainly relate to the ECL on the new Ukraine Facility loans and to loan commitments on the MFA loan signed under ULCM in 2024. See notes **2.4.1.1, 2.11** and **6.6**.

The modification loss relates to the interest rate subsidy granted to Ukraine for the MFA+ loans (EUR 0,6 billion) and for the exceptional MFA loans of 2022 (EUR 0,2 billion), see note **2.4.1.1**.

The funding costs guaranteed are costs born by financial partners to fund equity investments guaranteed by the EU. Based on the guarantee agreements, the EU guarantees these costs, together with the associated equity investments.

For the significant decrease in the losses from non-derivative financial assets at FVSD, see note **3.9.**

3.16. **OTHER EXPENSES**

EUR million

	2024	2023
Administrative and IT expenses	*2 865*	*2 687*
Adjustment of provisions	*415*	*1 065*
Fixed assets related expenses	*1 929*	*1 443*

EUR million

	2024	2023
Land and buildings management expenses	*733*	*729*
Foreign exchange losses	*282*	*314*
Operating lease expenses	*560*	*448*
Reduction of fines by Court decision	*1 123*	*597*
Other	*1 093*	*857*
Total	**8 999**	**8 142**

The increase in line 'Reduction of fines by Court decision' relates mainly to two fines. In 2024, the Commission withdrew the fining decision imposed on Illumina/Grail in a merger proceeding, resulting in a write-off of the EUR 432 million fine. The amount also includes EUR 684 million related to a fine imposed in 2009 on Intel which was partially written-off in the 2024 annual accounts as a result of a Court of Justice decision issued in October 2024.

The aggregate amount of research and development expenditure recognised as an expense during 2024 is as follows:

EUR million

	2024	2023
Research costs	*479*	*452*
Non-capitalised development costs	*119*	*149*
Total	**598**	**600**

3.17. **SEGMENT REPORTING BY MULTIANNUAL FINANCIAL FRAMEWORK (MFF) HEADING**

EUR million

	Single Market, Innovation and Digital	Cohesion and Values	Natural Resources and Environment	Migration and Border Management	Resilience, Security and Defence	Neighbourhood and the World	European Public Administration	Not assigned to MFF heading [1]	Total
GNI resources	–	–	–	–	–	–	–	*95 037*	*95 037*
Traditional own resources	–	–	–	–	–	–	–	*20 587*	*20 587*
VAT	–	–	–	–	–	–	–	*24 547*	*24 547*
New Own Resources	–	–	–	–	–	–	–	*8 227*	*8 227*
Fines	–	–	–	–	–	–	–	*4 039*	*4 039*
Recovery of expenses	*82*	*(19)*	*831*	*2*	*1*	*56*	*0*	*3*	*957*
Other	*4 090*	*6 163*	*15*	*177*	–	*846*	*2 454*	*(3 070)*	*10 673*
Revenue from non-exchange transactions	**4 172**	**6 144**	**846**	**179**	**1**	**902**	**2 454**	**149 371**	**164 068**
Financial revenue	*1 176*	*26*	*3*	–	*6*	*228*	*272*	*7 295*	*9 005*
Other	*197*	*(24)*	*(19)*	*(0)*	*(5)*	*18*	*1 445*	*979*	*2 592*
Revenue from exchange transactions	**1 373**	**2**	**(16)**	**(0)**	**1**	**246**	**1 717**	**8 274**	**11 597**
Total revenue	**5 545**	**6 146**	**830**	**179**	**2**	**1 148**	**4 171**	**157 644**	**175 665**
Expenses implemented by Member States:									
EAGF	–	–	*(40 267)*	–	–	–	–	–	*(40 267)*
EAFRD & other rural development instruments	–	–	*(14 779)*	–	–	–	–	–	*(14 779)*
ERDF & CF	–	*(28 763)*	–	–	–	*(88)*	–	*18*	*(28 833)*
ESF	–	*(18 037)*	–	–	–	–	–	–	*(18 037)*
Other	–	*(562)*	*(938)*	*(1 844)*	*(173)*	*(106)*	–	*(231)*	*(3 854)*
Implemented by the EC, executive agencies and trust funds	*(15 193)*	*(71 672)*	*(969)*	*(263)*	*(1 208)*	*(8 828)*	*(3)*	*(836)*	*(98 971)*
Implemented by other EU agencies and bodies	*(3 530)*	*(595)*	*(105)*	*(1 266)*	*(254)*	*(44)*	*(111)*	*1 517*	*(4 388)*

EUR million

	Single Market, Innovation and Digital	Cohesion and Values	Natural Resources and Environment	Migration and Border Management	Resilience, Security and Defence	Neighbourhood and the World	European Public Administration	Not assigned to MFF heading [1]	Total
Implemented by third countries and int. org.	*(466)*	*(183)*	*(13)*	*(90)*	*(145)*	*(5 535)*	*(1)*	*(205)*	*(6 639)*
Implemented by other entities	*(22)*	*(2 769)*	*(5)*	*(5)*	*(82)*	*(2 692)*	–	*(23)*	*(5 599)*
Staff and Pension costs	*(543)*	*(24)*	*(2)*	*(1)*	*(1)*	*(181)*	*(12 350)*	*(1 865)*	*(14 966)*
Finance costs	*(1 858)*	*(11)*	*(72)*	*(0)*	*(0)*	*(196)*	*(78)*	*(25 010)*	*(27 226)*
UK Withdrawal Agreement	–	–	–	–	–	–	–	*(315)*	*(315)*
Other expenses	*(2 221)*	*(239)*	*(272)*	*(6)*	*(86)*	*(287)*	*(4 271)*	*(1 616)*	*(8 999)*
Total expenses	**(23 834)**	**(122 856)**	**(57 422)**	**(3 475)**	**(1 949)**	**(17 957)**	**(16 815)**	**(28 566)**	**(272 873)**
Economic result of the year	**(18 290)**	**(116 710)**	**(56 592)**	**(3 296)**	**(1 947)**	**(16 809)**	**(12 643)**	**129 079**	**(97 208)**

[1] *'Not-assigned to MFF heading' includes consolidated entities' budget execution and consolidation eliminations, off-budget operations and unallocated programmes with individually immaterial amounts.*

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

4. CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are possible future payment obligations for the EU that may arise due to past events or legally binding commitments taken but which will depend on future events not wholly under the control of the EU. They relate mainly to guarantees given and to legal risks. **All contingent liabilities, except those relating to fines, guarantees and financial instruments up to the level they are covered by funds (see note 2.4.2.1), would be financed, should they fall due, by the EU budget (and thus the EU Member States) in the years to come.**

4.1. GUARANTEES GIVEN BY THE EU BUDGET

4.1.1. *Guarantees given under the EU budgetary guarantee programmes (nominal)*

EUR million

	31.12.2024			
	Guarantees given			Assets provisioned ([1])
	Ceiling	Signed	Disbursed	
EIB ELM guarantees	*25 772*	*25 772*	*19 184*	*3 400*
EFSI guarantee	*25 373*	*22 998*	*21 033*	*8 941*
EFSD guarantee	*759*	*667*	*521*	*785*
InvestEU guarantee	*27 042*	*11 769*	*3 468*	*6 802*
NDICI external action guarantee	*30 173*	*11 228*	*1 341*	*2 943*
Ukraine Guarantee	*790*	*172*	*132*	*202*
Total	**109 909**	**72 606**	**45 678**	**23 073**

([1]) *The EUR 3,4 billion of assets provisioned for the EIB ELM guarantees also cover loans and related borrowings under legacy MFA and Euratom (see note 2.4.1.1).*

EUR million

	31.12.2023			
	Guarantees given			Assets provisioned ([1])
	Ceiling	Signed	Disbursed	
EIB ELM guarantees	*27 729*	*27 729*	*19 856*	*2 962*
EFSI guarantee	*25 591*	*23 635*	*21 551*	*9 175*
EFSD guarantee	*1 077*	*548*	*478*	*765*
InvestEU guarantee	*25 767*	*6 592*	*1 433*	*3 736*
NDICI external action guarantee	*28 115*	*7 660*	*634*	*2 222*
Total	**108 279**	**66 163**	**43 953**	**18 860**

([1]) *The EUR 3,0 billion of assets provisioned for the EIB ELM guarantees also cover loans and related borrowings under legacy MFA and Euratom (see note 2.4.1.1).*

The above tables show the extent of the exposure of the EU budget to possible future payments linked to guarantees given to the EIB group or other financial institutions. Disbursed amounts represent the amounts already given to final beneficiaries, while signed amounts include these disbursed monies plus agreements already signed with beneficiaries or financial intermediaries but not yet disbursed at year-end (EUR 26,9 billion). The ceiling represents the total guarantee that the EU budget, and thus its Member States, have committed to cover, since in order to disclose the maximum exposure faced by the EU at 31 December 2024, operations authorised to be signed but not yet signed (EUR 37,3 billion) must be included.

Budgetary guarantee programmes are backed by provisions gradually built up from the budget and kept in the Common Provisioning Fund ('CPF') as a liquidity cushion to cover future guarantee calls (see note **2.4.2.1**). Please see note **6.2** for the measures put in place to ensure that the provisioning is sufficent to cover the guarantee calls in the medium term. Any losses incurred under the budgetary guarantee programmes, above the provisioning set aside, would need in any case to be covered by future budgets. For the InvestEU Member State compartment, the EU also receives counter guarantees from the Member States and EEA countries (see below).

EIB ELM guarantees

The EU budget guarantees loans signed and granted by the EIB from the EIB's own resources to third countries. At 31 December 2024 the amount of loans outstanding and covered by the EU guarantee totalled EUR 19 184 million. The EU budget guarantees:

— EUR 18 960 million via the Guarantee Fund for external actions compartment of the CPF; and

— EUR 224 million directly for loans granted to Member States before accession.

Included in the guarantees given as at 31 December 2024 are EUR 2,1 billion of signed but undisbursed loans for which future disbursements are conditional on approval by the EU.

The EU ELM guarantee relating to loans granted by the EIB is limited to 65 % of the outstanding balances for agreements signed after 2007 (mandates 2007-2013 and 2014-2021). For agreements made before 2007, the EU guarantee is limited to a percentage of the ceiling of the credit lines authorised, in most cases 65 % but also 70 %, 75 % or 100 %. Where the ceiling is not reached, the EU guarantee covers the full amount.

With Decision (EU) 2018/412 of the European Parliament and of the Council ([30]), a private sector lending mandate for projects directed to the long term economic resilience of refugees, migrants, host and transit communities under the EIB Resilience Initiative ('ERI') was set-up. The Union budget is remunerated for the risk taken in relation to guarantees granted for EIB financing operations under the ERI Private Mandate, which explains the premium receivable for the ELM guarantee, which is otherwise a non-remunerated guarantee (see note **2.11.2**).

The ELM 2014-2020 mandate, which expired in 2021, was the last mandate under the Guarantee Fund for external actions. The new EIB mandate is covered by the External Action Guarantee set up by the NDICI Regulation.

EU guarantee payments are made from the Guarantee Fund for external actions compartment of the CPF. During 2024, EUR 11 million of guarantee calls net of recoveries have been paid out (2023: EUR 67 million).

European Fund for Strategic Investments (EFSI) guarantee

EFSI is an initiative that aims to increase the risk-bearing capacity of the EIB Group by enabling the EIB to extend its investments in the EU. The objective of EFSI is to support additional investments in the EU and access to finance for small companies. The EU budget provides a guarantee of up to EUR 26 billion ('EFSI EU guarantee') under an agreement between the EU and the EIB, hereinafter referred to as the 'EFSI Agreement', in order to protect the EIB from potential losses it may suffer from its financing and investment operations.

([30]) Decision (EU) 2018/412 of the European Parliament and of the Council of 14 March 2018 amending Decision No 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (OJ L 76, 19.3.2018, p. 30, ELI: http://data.europa.eu/eli/dec/2018/412/oj).

The EFSI operations are conducted within two windows: the Infrastructure and Innovation Window (IIW) implemented by the EIB (EFSI EU guarantee of EUR 19 250 million) and the SME Window (SMEW) implemented by the EIF (EFSI EU guarantee of EUR 6 750 million), both of which have a debt portfolio and an equity portfolio. The EIF acts under an agreement with the EIB on the basis of an EIB guarantee, which itself is counter-guaranteed by the EFSI EU Guarantee under the EFSI Agreement. In order to enhance the efficiency of EU Guarantee and to increase its risk-bearing capacity, a combination of two EFSI debt portfolios with InvestEU became effective in 2022. Any guarantee calls, recoveries and revenues are distributed between the EFSI and the InvestEU Guarantee based on effective guaranteed allocations.

The EU and the EIB have distinct roles within EFSI. EFSI is established within the EIB, who finance the operations (debt and equity investments) and, to do this, borrow the necessary funds on the capital markets. The EIB Group takes the investment decisions independently and manages the operations in accordance with its rules and procedures. The EU provides the guarantee for those operations, and covers losses incurred by the EIB up to the ceiling of this guarantee.

As the control criteria and accounting requirements for consolidation under the EU accounting rules (and IPSAS) are not met, the related guaranteed assets are not accounted for in the consolidated annual accounts of the EU.

The EU guarantee granted to the EIB Group under EFSI is accounted for as a financial guarantee liability in respect of the IIW debt portfolio and the SMEW debt portfolio (see note **2.11.2**) and as a derivative (financial asset or liability at fair value through surplus or deficit) for both equity portfolios (see note **2.4.2.2**). The EFSI guarantee given includes operations of the COSME, H2020, CCS LGF and EaSI programmes for the part covered by the EFSI EU guarantee under the SMEW debt portfolio.

During 2024, EUR 151 million of net guarantee calls were paid out from the EFSI Guarantee Fund compartment of the CPF, including some guarantee calls incurred in previous years but temporarily covered by the EU revenues hold on the EFSI settlement account at the EIB (2023: EUR 193 million).

European Fund for Sustainable Development (EFSD)

The European Fund for Sustainable Development, established by the EFSD Regulation, is an initiative aiming to support investments in Africa and the European Neighbourhood as a means to contribute to the achievement of sustainable development and to address specific socio-economic root causes of migration. Under the EFSD Regulation, the EU was authorised to make available guarantees of EUR 1,5 billion (further increased by external contributions) to implementing partners for their investment and financing operations, in order to reduce their investment risks. The EFSD Guarantee is backed by the CPF – see note **2.4.2.1**.

For one of the EFSD guarantee agreements (where the EU guarantees the capital adequacy of a currency hedging fund for an amount of EUR 145 million), in case of a guarantee call the EU holds a reimbursement right to receive shares of the fund worth the amount paid.

NDICI external action guarantee

Regulation (EU) 2021/947 of the European Parliament and of the Council ([31]), established the Neighbourhood, Development and International Cooperation Instrument – Global Europe (the 'Instrument'), including the European Fund for Sustainable Development Plus (the 'EFSD+') and the External Action Guarantee, for the period of the 2021-2027 MFF. The objective of EFSD+ is to promote sustainable investments in the EU's partner countries.

The External Action Guarantee supports the EFSD+ operations covered by budgetary guarantees, macro-financial assistance and loans to third countries. It is backed by the CPF – see note **2.4.2.1**.

As at 31 December 2024, budgetary guarantee agreements were effective for a total outstanding ceiling of EUR 30,2 billion, of which EUR 26,0 billion relates to a guarantee agreement signed with the EIB as a successor of the ELM programme.

([31]) Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/947/oj).

InvestEU guarantee

Through the InvestEU programme the Commission can provide up to EUR 26,2 billion in guarantees to support investments with the backing of the EU budget. This EU guarantee supports private and public investments in four policy areas: sustainable infrastructure, research innovation and digitalisation, small and medium-sized companies, and social investment and skills. Several financial partners like national promotional banks are receiving the EU guarantee. They support investments by providing loans, guarantees or equity capital. For example, the financial partners can provide loans to SMEs, participate in equity funds or give guarantees to commercial banks for loans they disburse. The Commission can also allocate EU budget from other EU programmes to the InvestEU Fund, for example from the HERA Invest (health), the European Space programme or the Catalyst (innovation).

To create a capital buffer for the losses from guaranteed investments, the Commission is gradually setting money aside ('provisioning') from the EU budget into the CPF. The InvestEU Regulation has set the provisioning at 40 % of the EU guarantee.

The EU guarantee can be increased, in addition to the EUR 26,2 billion mentioned above, with the backing from Member States and EEA countries. They can contribute money from their Cohesion Policy, RRF funds or national budgets. For the Member States, the provisioning is set on a case by case basis, while the additional EU guarantee backed from EEA countries is 40 % provisioned with cash contributions. The cash from Member States and EEA countries is kept in the CPF. The non-provisioned amount is covered with counter guarantees from the Member States and the EEA countries. At 31 December 2024, there were agreements with seven Member States and two EEA countries, based on which the Commission may provide additional EU guarantee of EUR 2,8 billion to financial partners, out of which EUR 2,2 billion is to be backed by cash contributions and EUR 0,6 billion with counter guarantees. Indeed, EUR 2,8 billion of such guarantee agreements had been signed until 31 December 2024, with several implementing partners.

Ukraine guarantee

Following the Ukraine Facility Regulation, the EU has established the Ukraine Guarantee for a maximum guarantee capacity of EUR 7,8 billion, to boost investments for the recovery and reconstruction of Ukraine.

As at 31 December 2024, four budgetary guarantee agreements were signed and effective for the total cover limit of EUR 0,8 billion.

UK obligations arising from its departure from the EU

In accordance with Article 143 of the Withdrawal Agreement, the UK is liable to the Union for its share of contingent financial liabilities related to EFSI, EFSD and the EIB external lending mandate operations approved by the withdrawal date, 31 January 2020. Article 143 requires that in case of a guarantee call for a financial operation that has been approved before the withdrawal date, the UK would be liable to the Union for its share of payments made by the Union under those operations, unless this could be covered by the UK share of provisioning held in the guarantee fund where this is relevant.

For ELM, the value of the EU budgetary guarantee at the withdrawal date, for the operations approved by the withdrawal date, was EUR 33,7 billion. At 31 December 2024 this had changed to EUR 20,6 billion (2023: EUR 22,2 billion). The UK share of this contingent liability at 31 December 2024 is thus EUR 2,6 billion (31 December 2023: EUR 2,8 billion). As stated above however, any default on these loans is first covered by the Guarantee Fund for external actions compartment of the CPF and amounts would only be called from the UK if the UK provisioning for this fund, of EUR 260 million at 31 December 2024, was not sufficient.

With respect to EFSI operations, the value of the EU budgetary guarantee at the withdrawal date, for the operations approved by the withdrawal date, was EUR 23,5 billion. At 31 December 2024 this had changed to EUR 17 billion (2023: EUR 18,6 billion). The UK share of this contingent liability at 31 December 2024 is thus EUR 2,1 billion. Any guarantee calls under EFSI are first covered by the EFSI guarantee fund compartment of the CPF and amounts would only be called from the UK if the UK provisioning for this fund, of EUR 584 million at 31 December 2024, was not sufficient.

As no operations had been approved by the implementing partners in relation to the EFSD Guarantee before the withdrawal date, the UK has no obligations here.

The UK share of the payments made in 2024 for the operations approved on or after the withdrawal date and up to 31 December 2020 amounted to EUR 74 million (EUR 69 million for EFSI and EUR 5 million for ELM), reducing correspondingly the UK provisioning. The amount due to the UK in 2025 is EUR 190,6 million (see note **2.6.1.2**).

4.1.2. *Guarantees given under EU financial instrument programmes (nominal)*

EUR million

	31.12.2024	31.12.2023
Horizon 2020	*2 145*	*2 352*
Connecting Europe Facility	*649*	*649*
COSME	*378*	*526*
Other	*471*	*511*
Total	**3 642**	**4 037**

The amounts in the above table present the outstanding nominal amounts of the guarantees given under the EU financial instruments programmes.

As outlined in Article 210 (1) FR, the budgetary expenditure linked to a financial instrument and the financial liability of the EU shall **in no case exceed the amount of the relevant budgetary commitment made for it**, thus avoiding contingent liabilities for the budget. In practice, it means that these liabilities have a counterpart on the asset side of the balance sheet or are covered by the outstanding budgetary commitments not yet expensed.

The COSME Loan Guarantee Facility (LGF) consists primarily of capped guarantees for portfolios of higher risk debt financing (mainly loans) offered by financial intermediaries to SMEs. The COSME LGF is implemented by the EIF on behalf of the EU.

For more details on Horizon 2020 and the Connecting Europe Facility see also note **2.4.2.1**.

UK obligations arising from its departure from the EU

With regard to the EU's contingent liabilities for amounts approved by the withdrawal date in relation to EU financial instruments, including those above, should any of these contingencies crystalise, they would be covered by the EU budget using monies held on fiduciary accounts. Thus in principle no amounts would be called from the UK other than its share in the budgetary RAL as outlined under Article 140 of the WA – see note **2.6.1.2**.

4.2. CONTINGENT LIABILITIES RELATING TO LEGAL CASES

4.2.1. *Legal cases in the area of fines*

At 31 December 2024, the contingent liabilities relating to fines amounted to EUR 2 178 million (2023: EUR 2 231 million). This amount includes fines imposed on companies (EUR 1 451 million, see note **2.6.1.3**) and fines imposed on Member States (EUR 727 million) that have been provisionally paid and for which either an appeal has been lodged or for which it is unknown whether an appeal will be made. The contingent liability will be maintained until a judgement by the Court of Justice of the European Union is delivered or until the expiry of the period for appeal. 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. Should the EU lose any of the cases relating to fines imposed, the amounts that have been provisionally received will be returned to the companies or Member States without budgetary impact. The amount of fines is only recognised as budgetary revenue when the fines are definitive (Article 107 FR).

4.2.2. *Other legal cases*

EUR million

	31.12.2024	31.12.2023
Agriculture	*77*	*84*
Other	*67*	*73*
Total	**144**	**157**

Agriculture

These are contingent liabilities towards the Member States connected with EAGF and rural development conformity decisions 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.

Other legal cases

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 340 TFEU, 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.

UK obligations arising from its departure from the EU

Under Article 147 of the WA, the United Kingdom shall be liable for its share of the payments required to discharge the contingent liabilities of the Union that become due in relation to legal cases concerning the financial interests of the Union, provided that the facts forming the subject matter of those cases occurred no later than 31 December 2020. The estimated maximum UK exposure here is EUR 15 million (2023: EUR 18 million). For legal cases where it is considered probable that amounts will be paid from the EU budget (see note **2.10**), the UK share is included as part of the overall amount due from the UK – see details under note **2.6.1.2**.

4.3. **CONTINGENT ASSETS**

EUR million

	31.12.2024	31.12.2023
Guarantees received:		
Performance guarantees	*275*	*249*
Other guarantees	*5*	*6*
Other contingent assets	*15*	*15*
Total	**295**	**270**

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

5. **BUDGETARY AND LEGAL COMMITMENTS**

This note provides information on the budgetary process and future funding needs and not on liabilities existing as at 31 December 2024.

The Multiannual Financial Framework (MFF) agreed by the Member States defines the programmes and sets out the heading ceilings for commitment appropriations and the total for payment appropriations within which the EU may enter into budgetary and legal commitments, and ultimately make payments for a period of 7 years – see Table **3.2** in the notes to the budgetary implementation reports.

Legal commitments correspond to programmes, projects, agreements or contracts signed, thus legally binding the EU. A legal commitment is the act whereby the authorising officer enters or establishes an obligation (for the EU) which results in a charge (Article 2(37) FR).

A budgetary commitment is in principle made before the legal commitment, but for some multiannual programmes/projects it is the reverse, the relevant budgetary commitments being made in annual instalments, over several years, when the basic act so provides for. For example, for cohesion, Article 86 of the Common Provisions Regulation (CPR) (Regulation (EU) 2021/1060) provides that the decision of the Commission adopting a programme shall constitute a legal commitment within the meaning of the Financial Regulation but that the budgetary commitments of the Union in respect of each programme shall be made in annual instalments for each fund during the period between 1 January 2021 and 31 December 2027. Other legal bases may contain similar provisions. For this reason, there are amounts that the EU has legally committed to pay, but where the budgetary commitment has not yet been made – see note **5.2** below.

If the budgetary commitment has been made but the subsequent payments are not yet made, the amount of outstanding commitments is called 'Reste à Liquider' (RAL). This can represent programmes or projects, often multiannual, which are signed and for which payments will only be made in later years. They represent payment obligations for future years. As the financial statements are prepared on an accrual basis, whereas the budgetary implementation reports are prepared on a cash basis, part of the overall amount unpaid (RAL) has already been expensed and is recognised as a liability on the balance sheet (see notes **2.12** and **2.13**). The calculation of these expenses is made based either on cost claims/invoices received or on the estimated implementation of a programme or project where no claims have been notified yet to the EU by the reporting date. Once the payments relating to the RAL are made, the liability on the balance sheet is derecognised. The part of the RAL not expensed yet is not included under liabilities but is instead disclosed below, see note **5.1**.

The disclosures below thus represent amounts at 31 December 2024 that the EU has committed to pay based on the fulfilment of the contractual agreements and which are therefore intended to be funded by future EU budgets.

EUR million

	Note	31.12.2024	31.12.2023
Outstanding budgetary commitments not yet expensed	*5,1*	*428 588*	*466 467*
Significant legal commitments	*5,2*	*257 256*	*329 939*
Total		**685 844**	**796 407**

5.1. OUTSTANDING BUDGETARY COMMITMENTS NOT YET EXPENSED

EUR million

	31.12.2024	31.12.2023
Outstanding budgetary commitments not yet expensed	*428 588*	*466 467*

The amount disclosed above is the budgetary RAL ('Reste à Liquider') of EUR 507 378 million (see Table **6.4** in the budgetary implementation reports), less related amounts that have been included as liabilities on the balance sheet and as expenses in the statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or decommitments have not yet been made. This is the normal consequence of the existence of multiannual programmes.

It should be noted that outstanding pre-financing advances at 31 December 2024 totalled EUR 78,9 billion – see note **2.5**. This represents budgetary commitments that have been paid, decreasing the RAL, but where the amounts paid are still considered as belonging to the EU and not to the beneficiary, until the relevant contractual obligations are fulfilled. They are thus, like the RAL disclosed above, not yet expensed.

5.2. SIGNIFICANT LEGAL COMMITMENTS

EUR million

	31.12.2024	31.12.2023
Economic, Social and Territorial Cohesion	*177 459*	*239 903*
Natural Resources and Environment	*46 659*	*62 365*
Migration and Border Management	*4 153*	*5 932*
Security and Defence [1]	*520*	*743*
ITER	*9 898*	*6 926*
Connecting Europe Facility	*7 313*	*5 570*
Space and Secure Connectivity Programmes	*3 303*	*2 886*
Ukraine Facility	*2 270*	–
RRF non-repayable support commitments	*558*	*357*

EUR million

	31.12.2024	31.12.2023
Innovation Fund	*521*	–
HorizonEU	*519*	*589*
Fisheries agreements	*234*	*166*
Euratom	*166*	*252*
RescEU	*106*	*253*
Operating lease commitments	*2 721*	*2 528*
Other contractual commitments	*856*	*968*
EU Solidarity Fund	–	*502*
Total	**257 256**	**329 939**

([1]) *As of 2023, the amounts concerning security and defence (including comparatives) are presented separately from the migration and border management.*

These amounts reflect the long-term legal commitments that were not covered by commitment appropriations in the budget at year-end. These binding obligations will be budgeted and paid in future years.

Certain important programmes (see below) may be implemented by annual instalments according to Article 112(2) FR. This allows the EU to make legal commitments (sign grant agreements, delegation agreements and procurement contracts) in excess of the available commitment appropriations of a given year. Therefore a substantial amount of the overall allocation for the current MFF may be already committed. This applies in particular for the programmes described below:

Funds under shared management

These are legal obligations that the EU has committed to pay when adopting the operational programmes related to shared management. The decision of the Commission adopting an operational programme constitutes a financing decision within the meaning of Article 110 FR and once notified to the Member State concerned, it represents a legal commitment within the meaning of that Regulation.

Article 86(2) of the Common Provisions Regulation (CPR) for shared management funds states:

'The budgetary commitments of the Union in respect of each programme shall be made by the Commission in annual instalments for each Fund during the period between 1 January 2021 and 31 December 2027'.

The amounts disclosed on the first four lines of the table above relate to the Heading 2A (Economic, Social and Territorial Cohesion), Heading 3 (Natural Resources and Environment), Heading 4 (Migration and Border Management) and Heading 5 (Security and Defence) of the MFF 2021-2027. They represent the outstanding amounts that the EU will commit budgetarily and then pay after 31 December 2024.

ITER – International Thermonuclear Experimental Reactor

These commitments are intended to cover future funding needs of the ITER facilities. The EU (Euratom) contribution to ITER International is given through the Fusion for Energy Agency, including also the contributions from Member States and from Switzerland. ITER was created to manage and to encourage the exploitation of the ITER facilities, to promote public understanding and acceptance of fusion energy, and to undertake any other activities that are necessary to achieve its purpose. ITER involves the EU together with various other countries.

Connecting Europe Facility (CEF2)

The CEF2 provides financial assistance to trans-European networks in order to support projects of common interest in the sectors of transport, telecommunications and energy infrastructures. The legal commitments for the CEF programme cover an implementation period running from 2021 until 2027 for CEF Energy (with a possibility to be extended). The legal basis of these commitments is the Regulation (EU) 2021/1153 of the European Parliament and of the Council ([32]) with Article 4.5 stating that 'Budgetary commitments for actions extending over more than one financial year may be broken down into annual instalments, over two or more years'.

Space and Secure Connectivity Programmes

The space programme (EUR 2 672 million) includes the following components: Galileo, EGNOS, Copernicus, Govsatcom and SSA. The most significant are Galileo, which is developing the European Global Navigation Satellite System, and Copernicus, which is related to the European Earth observation. These commitments are made for the period until 2027. Based on Regulation (EU) 2021/696 of the European Parliament and of the Council ([33]), the Commission signed contribution agreements with the European Space Agency (ESA), EUMETSAT, Mercator and the European Centre for Medium Range weather forecasts. Article 11.6 of Regulation (EU) 2021/696 authorises the use of annual instalments.

The Secure Connectivity Programme (EUR 631 million) aims to improve EU communication services by developing and operating a multi-orbital connectivity infrastructure, based on a public-partnership model. It will ensure the provision of worldwide secure, flexible, and resilient satellite communication services to the Union and Member States governmental entities. In this respect, based on Regulation (EU) 2023/588) of the European Parliament and of the Council ([34]), a concession contract was awarded to a grouping of companies.

Ukraine Facility non-repayable support commitments

The Ukraine Facility was set up to support Ukraine in addressing its financing gap and recovery, reconstruction and modernisations needs. It was established by Regulation (EU) 2024/792 of the European Parliament and of the Council for the period 2024 to 2027. Pursuant to Article 6(1) of Regulation (EU) 2024/792, the resources for the implementation of the Facility shall be available through the Ukraine Reserve mobilised in the framework of the annual budgetary procedure in accordance with Article 10b of Regulation (EU, Euratom) 2020/2093. This appropriation finances support under three pillars (Ukraine Plan, Ukraine Investment Framework, Union Accession Assistance and Related Support Measures) in accordance with the indicative distribution laid down in the Regulation.

([32]) Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38, ELI: http://data.europa.eu/eli/reg/2021/1153/oj).

([33]) Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69, ELI: http://data.europa.eu/eli/reg/2021/696/oj).

([34]) Regulation (EU) 2023/588 of the European Parliament and of the Council of 15 March 2023 establishing the Union Secure Connectivity Programme for the period 2023-2027 (OJ L 179, 17.3.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/588/oj).

RRF non-repayable support commitments

The RRF is a key programme of NGEU, the EU Recovery Instrument. It was established by Regulation (EU) 2021/241 of the European Parliament and of the Council ([35]) which finances reforms and investments in Member States from the start of the coronavirus pandemic in February 2020 until 2026. Article 23 of Regulation (EU) 2021/241 authorises the use of annual instalments. In 2023, the RRF was amended by Regulation (EU) 2023/435 to provide additional support to Member States through REPowerEU chapters for reforms and investments fostering independence, security and sustainability of the Union's energy supply.

Innovation Fund

The Directive (EU) 2023/959 of the European Parliament and of the Council ([36]), amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system, provides in its Article 10, paragraph 8, that 'Budgetary commitments for actions extending over more than one financial year may be broken down into annual instalments over several years'. This provision is applicable for the new actions signed as from 2024, including the actions financed through calls for proposal or within a competitive bidding mechanism.

Horizon Europe

These are amounts committed to the Horizon Europe programme for secured connectivity, upstream and downstream activities for the various space components. These commitments are made for the period until 2027. Based on Regulation (EU) 2021/695 of the European Parliament and of the Council ([37]), the Commission signed a contribution agreement with ESA. Article 12.8 of the Regulation authorises the use of annual instalments.

Fisheries agreements

These represent commitments entered into with third countries for operations under international fisheries agreements up to 2030. The commitments made are based on Council decisions for each third country (e.g. agreement between the EU and the Government of Greenland and the Government of Denmark ([38]) and the Implementation Protocol ([39])) and are considered specific international treaties with multiannual rights and obligations.

Euratom

Euratom is a programme based on Council Regulation (Euratom) 2021/765 ([40]). Article 4 of the Regulation foresees the use of the annual instalments.

The general objective of the programme is to pursue nuclear research and training activities, with an emphasis on the continuous improvement of nuclear safety, security and radiation protection, as well as to complement the achievement of Horizon Europe's objectives inter alia in the context of the energy transition. The Euratom programme provides research grants through competitive calls for proposals and to named beneficiaries.

([35]) Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17, ELI: http://data.europa.eu/eli/reg/2021/241/oj).

([36]) Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (OJ L 130, 16.5.2023, p. 134, ELI: http://data.europa.eu/eli/dir/2023/959/oj).

([37]) Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/695/oj).

([38]) Council Decision (EU) 2024/3202 of 5 December 2024 on the signing, on behalf of the Union, and provisional application of the Protocol on the implementation of the Sustainable Fisheries Partnership Agreement between the European Union, of the one part, and the Government of Greenland and the Government of Denmark, of the other part (2025–2030) (OJ L, 2024/3202, 30.12.2024, ELI: http://data.europa.eu/eli/dec/2024/3202/oj).

([39]) Protocol on the implementation of the Sustainable Fisheries Partnership Agreement between the European Union, of the one part, and the Government of Greenland and the Government of Denmark, of the other part (2025–2030) (OJ L, 2024/3203, 30.12.2024, ELI: http://data.europa.eu/eli/prot/2024/3203/oj).

([40]) Council Regulation (Euratom) 2021/765 of 10 May 2021 establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – the Framework Programme for Research and Innovation and repealing Regulation (Euratom) 2018/1563 (OJ L 167 I, 12.5.2021, p. 81, ELI: http://data.europa.eu/eli/reg/2021/765/oj).

RescEU

RescEU is a European reserve of response assets and capabilities established under the Union Civil Protection Mechanism, as part of the 2019 legislative revision of Decision No 1313/2013/EU of the European Parliament and of the Council ([41]). The RescEU reserve was set up to act as a last resort when national capacities and those capacities committed in the European Civil Protection Pool are not able to ensure an effective response to the various kinds of disasters. The European Union finances those response capacities as a preparedness measure to make them available in case of need for response operations under the Union Civil Protection Mechanism. The priority domains of developing capacities under RescEU are the areas of aerial forest-firefighting, chemical, biological, radiological and nuclear incidents, emergency medical response, as well as transport and logistics.

Operating lease commitments

Minimum amounts committed to be paid according to the underlying contracts during the remaining term of these lease contracts are as follows:

EUR million

	Minimum lease payments			
	< 1 year	1-5 years	> 5 years	Total
Buildings	*519*	*1 062*	*1 087*	*2 668*
IT materials and other equipment	*14*	*36*	*3*	*53*
Total	**532**	**1 099**	**1 090**	**2 721**

In March 2019, in the context of the United Kingdom's notification of its intention to withdraw from the EU, and as a result of Regulation (EU) 2018/1718 of the European Parliament and of the Council ([42]), the seat of the European Medicines Agency (EMA) was relocated from London to Amsterdam. On 2 July 2019, the Agency reached an agreement with its landlord and since then has sublet its premises to a subtenant under conditions that are consistent with the ones of the headlease, including the sublease term that extends until the expiry of EMA's headlease in June 2039.

The amounts disclosed in the table above include EUR 369 million still due under the headlease contract.

Other contractual commitments

The amounts included under this disclosure correspond to amounts committed to be paid during the term of the contracts. The most significant amount included here relates to a building contract (JMO2) of the Commission in Luxembourg (EUR 422 million).

6. **FINANCIAL RISK MANAGEMENT**

The EU's financial risk management disclosures cover several key areas:

— The Commission's borrowing and lending activities for financial assistance through programmes like NGEU, EFSM, BOP, MFA, SURE, Ukraine Facility and Euratom.

— The Commission's treasury operations to execute the EU budget.

— Assets held in funds like the CPF, the ECSC i.L., and the BUFI portfolio.

— Financial instruments supported by the EU budget.

— EU budgetary guarantee programmes.

([41]) Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924, ELI: http://data.europa.eu/eli/dec/2013/1313/oj).

([42]) Regulation (EU) 2018/1718 of the European Parliament and of the Council of 14 November 2018 amending Regulation (EC) No 726/2004 as regards the location of the seat of the European Medicines Agency (OJ L 291, 16.11.2018, p. 3, ELI: http://data.europa.eu/eli/reg/2018/1718/oj).

6.1. TYPES OF FINANCIAL RISK

The EU faces financial risks from its financial instruments:

Market risk: This is the uncertainty of investment value due to changes in market prices. It includes risks such as:

— *Currency risk*: Changes in exchange rates can affect the EU's operations and investments.

— *Interest rate risk*: Higher interest rates can lower the value of certain investments, like bonds.

— *Other price risk*: This includes various factors (other than interest rates and foreign exchange rates) that can affect investment values, such as changes in market prices or factors specific to individual investments.

Credit risk: This is the risk that a borrower won't pay back a loan or meet their contractual obligations, leading to default events like delayed payments or bankruptcy.

Liquidity risk: This is the risk that an EU entity won't have enough money or assets to meet its financial obligations.

6.2. RISK MANAGEMENT POLICIES

Measurement of financial instruments

The following classes of financial assets and liabilities are not measured at fair value: cash and cash equivalents, loans at amortised cost, exchange receivables other than financial guarantee contract receivables when classified to financial assets at FVSD, borrowings, financial guarantee contracts and other financial liabilities measured at amortised cost. The carrying amount of those financial assets and liabilities is considered to be a reasonable approximation of their fair value.

Risk Governance for borrowing, debt management, and related lending operations

The EU's risk management framework is designed to protect the Union's financial and reputational interests, while ensuring the sound management of its borrowing and lending operations. Although the European Commission is not a financial institution, it employs advanced risk management practices tailored to the EU's unique structure and programme requirements. The primary goal of the framework is to safeguard the Union's financial interests and maintain the integrity, transparency, and trustworthiness of its operations, particularly those related to the NGEU programme.

The framework, developed by the Chief Risk Officer (CRO), includes key policies such as the High-Level Risk and Compliance Policy, the Market and Funding Liquidity Risk Policy, and the Operational Risk Management Policy. The CRO sets hard and soft risk limits and Key Risk Indicators to monitor and evaluate risks.

Regular risk reports ensure compliance with limits, highlight risk exposures, and propose mitigation strategies. A 'three lines of defence' model strengthens governance by segregating powers, defining authority, and clarifying roles in risk management and control.

Supported by the Risk and Compliance Committee, the CRO implements the risk management framework via internal policies and procedures. This committee advises the CRO on risk-related matters, particularly for NGEU operations.

The adoption of the Commission Implementing Decisions (EU, Euratom) 2022/2544 ([43]) and (EU, Euratom) 2023/2825 ([44]) expanded the CRO's responsibilities to oversee:

— Borrowing operations under both the unified funding approach and back-to-back funding method for financial assistance programmes.

— Credit risk assessment for loans to Member States and third countries under NGEU, MFA, MFA+ for Ukraine, and similar programmes.

— Debt management operations.

— Liquidity management operations.

The CRO enjoys autonomy in carrying out their tasks and responsibilities, and reports to the Member of the College responsible for the Budget as per the Commission Implementing Decision (EU, Euratom) 2023/2825. This ensures independence in executing assigned tasks and responsibilities.

Borrowing and lending activities for financial assistance and NGEU

The EU does not borrow money to fund its operational expenditure, except for the borrowing related to the NGEU.

The EU's borrowing and lending operations are managed in accordance with relevant regulations, decisions, and internal guidelines. Detailed manuals govern activities such as borrowings and loans, and the relevant units continuously assess financial and operational risks while ensuring compliance.

Historically, the EU's lending operations were financed through 'back-to-back' borrowings, which minimised open interest rate or currency risks. However, as of 2021 the EU also borrows money under a unified funding approach.

The unified funding approach, originally developed for NGEU utilises various funding instruments and techniques to meet both long- and short-term funding needs. This includes the issuance of EU-branded bonds, replacing the previous practice of separate issuances for each programme. Since December 2022, this strategy has been expanded to MFA+ loans for Ukraine, in 2023 to Ukraine Facility programme and since 2024 to other MFA loans. The usage of unified funding approach is enhancing flexibility and cost efficiency.

Treasury

The rules and principles for the management of the Commission's treasury operations are laid down in Council Regulation (EU, Euratom) No 609/2014, as amended by Council Regulations (EU, Euratom) 2016/804 ([45]) and (EU, Euratom) 2022/615 ([46]) (referred hereafter to the 'Council Regulation (EU, Euratom) No 609/2014') and in the Financial Regulation.

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 national central bank.

— Own resources are paid by Member States in their own national currencies, while the Commission's payments are mostly denominated in EUR.

([43]) Commission Implementing Decision (EU, Euratom) 2022/2544 of 19 December 2022 establishing the arrangements for the administration and implementation of the EU borrowing and debt management operations under the diversified funding strategy and related lending operations (OJ L 328, 22.12.2022, p. 109, ELI: http://data.europa.eu/eli/dec_impl/2022/2544/oj).

([44]) Commission Implementing Decision (EU, Euratom) 2023/2825 of 12 December 2023 establishing the arrangements for the administration and implementation of the Union borrowing and debt management operations under the diversified funding strategy and related lending operations (OJ L, 2023/2825, 18.12.2023, ELI: http://data.europa.eu/eli/dec_impl/2023/2825/oj).

([45]) Council Regulation (EU, Euratom) 2016/804 of 17 May 2016 amending Regulation (EU, Euratom) No 609/2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (OJ L 132, 21.5.2016, p. 85, ELI: http://data.europa.eu/eli/reg/2016/804/oj).

([46]) Council Regulation (EU, Euratom) 2022/615 of 5 April 2022 amending Regulation (EU, Euratom) No 609/2014 in order to enhance predictability for Member States and to clarify procedures for dispute resolution when making available the traditional, VAT and GNI based own resources (OJ L 115, 13.4.2022, p. 51, ELI: http://data.europa.eu/eli/reg/2022/615/oj).

— Bank accounts opened in the name of the Commission may not be overdrawn, except in specific cases such as loan defaults or excess cash requirements.

— Funds held in bank accounts denominated in currencies other than EUR are either used for payments in the same currencies or periodically converted into EUR.

In addition to the own resource 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. Procedures are applied to guarantee system security, segregate duties, and ensure compliance with the FR, internal control standards, and audit principles.

Guidelines and procedures regulate the management of the Commission's treasury and payment operations, aiming to limit operational and financial risk and ensure adequate control. These guidelines cover areas such as payment execution, cash management, cash flow forecasting and business continuity. Compliance with them is monitored regularly.

Asset management

The control of the various risks related to the asset management activities is based on dedicated governance and working procedures adopted following benchmarking with the highest standards adopted by peer international institutions. These procedures, which were subject to various internal and external audits, ensure the achievement of a sound asset management.

The Commission has put in place the appropriate governance to review and approve technical and strategic decisions in relation to asset management operations. The asset management operations are supervised by two committees: The Risk Committee, composed of representatives of DG BUDG and the Asset Management Board, composed of representatives of DG BUDG, DG ECFIN and DG FISMA. Technical decisions are discussed and approved in the Risk Committee, while strategic decisions are endorsed by the Risk Committee and Asset Management Board before final approval of the Director General of DG BUDG, in agreement with the Accounting Officer.

The asset management governance guarantees clear delegation of decision-making and lines of accountability and adequate segregation of duties between Front Office, Risk Management and Back Office. The compliance procedures provide the framework for adequate rules for codes of conduct to manage potential personal conflicts of interest as well as rules to manage risks of insider trading.

The Asset Management Guidelines and internal investment restrictions provide a solid internal control framework to ensure the safeguarding of assets. Securities are kept with our custodians in accordance with market best practices, while cash and deposits are placed with highly rated financial institutions. The safeguarding of financial assets is also assured by segregation of duties between the team responsible for initiation of securities deals and the back-office team responsible for their settlement and bank accounts reconciliation. An additional layer of control is assured by the accounting team during the monthly closure reconciliation process when the portfolio of securities is reconciled with the security custodian’s statement. Any settlement discrepancies and late payments caused by counterparties are followed by the bank accounts reconciliation and back-office teams.

For the monitoring of the respect of the control framework, an exhaustive set of performance and risk metrics for the assets under management is reported periodically to the relevant stakeholders.

The asset management guidelines, risk and investment strategies define certain limits and restrictions in order to limit the exposure to credit risk of the portfolio, which is limited to investment grade, except for EU Member States exposure.

Common Provisioning Fund

The CPF is managed according to the asset management guidelines set by the Commission, as per Decision C(2020)1896 of 25 March 2020 ([47]). The Director General of DG BUDG is responsible for managing the CPF's financial assets.

The CPF's objective is to ensure the necessary liquidity to meet all required outflows, such as guarantee calls, fully and promptly, and to provide capital preservation over the investment horizon of the fund, with a high confidence level.

The CPF portfolio is designed to be highly diversified across different asset classes, geographical areas, issuers, and maturities, in accordance with the asset management guidelines. As at 31 December 2024, the portfolio included investments in money market instruments, bonds and corporate as well as equity ETFs.

As the sole counterparty for all outstanding currency forwards as at 31 December 2024 is the Banque de France, no credit enhancements, such as collateral, netting agreements or guarantees are put in place as of this date. The maximum exposure to credit risk for foreign exchange derivatives having a positive fair value at the end of the reporting period is equal to the carrying amount on the balance sheet.

Fines

Provisionally paid fines: BUFI portfolio

Fines imposed and provisionally paid are invested in the BUFI portfolio.

The Commission manages the BUFI portfolio in accordance with internal asset management guidelines and procedures. The objectives of the asset management activities are to:

— Ensure that the funds are easily available when needed;

— Reduce risks associated with financial markets; aim to deliver a return that is in line with the BUFI Benchmark, while preserving the nominal amount for the fines.

Investments in the BUFI portfolio are restricted to:

— Term deposits with Member States' central banks, sovereign debt agencies, fully state-owned or state-guaranteed banks or supranational institutions;

— Bonds, bills, and certificates of deposit issued by sovereign or supranational institutions.

Financial guarantees received

The Commission holds significant amounts of guarantees issued by financial institutions in relation to fines imposed on companies breaching EU rules (see note **2.6.1.3**). These guarantees are provided by fined companies as an alternative to making provisional payments.

The Commission manages these guarantees in compliance with its internal risk management policy. This policy ensures that financial and operational risks are regularly identified and evaluated, and that compliance with internal policies and procedures is checked on a regular basis.

EU budgetary guarantee programmes

The FR has implemented several safeguards to protect the EU budget against financial risks created by budgetary guarantees. These safeguards can be grouped into four main categories:

(a) *Measures to limit contingent liabilities*

The EU guarantee is capped in a clearly defined manner, and the financial liability cannot exceed the amount of the budgetary guarantee authorised by its basic act. The contingent liability generated by a budgetary guarantee can only exceed the financial assets provided to cover the EU financial liability if this is provided for in the underlying basic act and under specific conditions.

The desired risk profile of the operations/financial products guaranteed by the EU is determined ex-ante, i.e. before the signature of the guarantee agreements.

([47]) Commission Decision of 25 March 2020 on the asset management guidelines of the common provisioning fund 2020/C 131/03 (OJ C 131, 22.4.2020, p. 3).

(b) *Measures concerning the selection of implementing partners*

Budgetary guarantee programmes are implemented with reliable, pillar-assessed partners. These partners commit to using their own resources, ensuring alignment of interests with the EU.

(c) *Measures to ensure adequate ex-ante budgetary capacity to absorb guarantee calls*

Budgetary guarantee programmes are backed by provisioned assets kept in the CPF. The provisioning rate is set in the basic act of each programme to allow the programming of budgetary appropriations to constitute a provision that would allow the absorption of losses without budgetary disruption. The Commission ensures annually that the provisioning rate is adequate and aligned with the FR principles and financial programming.

(d) *Measures to deal with realised losses exceeding ex-ante estimation*

The FR includes two early warning thresholds (50 % and 30 % of the provisioning rate remaining available). These thresholds allow the Commission to anticipate potential exhaustion of the provisioning and evaluate whether to propose additional provisioning. In case of temporary additional liquidity needs, procedures are in place, including transfers between CPF compartments, use of central treasury liquidity, and use of available budgetary space.

Furthermore, a Steering Committee on Contingent Liabilities was established in 2020 to oversee budgetary guarantees and financial assistance creating contingent liabilities to the budget. The committee intervenes in matters related to risk management, standard agreements, and integrated reporting to establish corporate requirements for sustainable management of contingent liabilities.

Financial instruments programmes

The EU's budget has relied on financial instrument programmes for many years. These programmes are used to finance riskier beneficiaries who have difficulty obtaining funding from commercial lenders. The Commission delegates the implementation of these programmes to the EIB Group or other financial institutions through agreements with the Commission. See note **2.4.2.1** for examples of these.

Once a financial contribution to a financial instrument is committed, the necessary funds are transferred to a fiduciary account opened by the financial institution in its name but on behalf of the Commission. The financial institution may use these funds to provide loans, issue debt instruments, invest in equity instruments, or cover guarantee calls.

The risk associated with these financial instruments is limited to the ceiling set out in the underlying agreements, which is the budgeted amount foreseen for the instrument. As the Commission often bears the first loss, it is likely that some losses to the EU budget will occur.

The Commission's agreements with financial institutions include strict conditions and obligations to ensure proper management and reporting of EU funds. The proceeds from financial instruments are generally reimbursed to the EU budget.

6.3. CURRENCY RISK

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

EUR million

	31.12.2024						
	USD	RON	PLN	SEK	Other	EUR	Total
Financial assets							
Financial assets at AC[1]	*40*	*5*	*–*	*–*	*7*	*414*	*466*
Financial assets at FVSD							
Non-derivatives	*2 148*	*–*	*–*	*45*	*120*	*41 336*	*43 648*
Derivatives	*–*	*–*	*–*	*–*	*–*	*1 110*	*1 110*
Receivables[2]	*72*	*1*	*17*	*1*	*111*	*3 039*	*3 240*
Cash and cash equivalents	*111*	*258*	*573*	*314*	*966*	*60 941*	*63 163*
	2 371	**264**	**590**	**360**	**1 204**	**106 839**	**111 628**

EUR million

	31.12.2024						
	USD	RON	PLN	SEK	Other	EUR	Total
Financial liabilities							
Financial guarantee liability	*(518)*	*(36)*	*(59)*	*(12)*	*(112)*	*(5 643)*	*(6 379)*
Financial liabilities at FVSD	*(1 712)*	*285*	*76*	*75*	*138*	*1 040*	*(98)*
	(2 230)	**248**	**17**	**63**	**26**	**(4 603)**	**(6 477)**
Total	**141**	**512**	**607**	**423**	**1 230**	**102 237**	**105 151**

EUR million

	31.12.2023						
	USD	RON	PLN	SEK	Other	EUR	Total
Financial assets							
Financial assets at AC ([1])	*39*	*5*	*–*	*–*	*11*	*200*	*255*
Financial assets at FVSD							
Non-derivatives	*1 568*	*–*	*–*	*20*	*129*	*35 686*	*37 402*
Derivatives	*(1 142)*	*17*	*21*	*74*	*65*	*2 055*	*1 091*
Receivables ([2])	*123*	*2*	*28*	*1*	*120*	*3 757*	*4 032*
Cash and cash equivalents	*145*	*474*	*1 076*	*654*	*1 657*	*35 608*	*39 616*
	734	**499**	**1 126**	**749**	**1 982**	**77 306**	**82 396**
Financial liabilities							
Financial guarantee liability	*(591)*	*(32)*	*(38)*	*(15)*	*(105)*	*(5 488)*	*(6 268)*
Financial liabilities at FVSD	*(1)*	*152*	*–*	*(3)*	*(6)*	*(201)*	*(60)*
	(593)	**120**	**(38)**	**(18)**	**(111)**	**(5 689)**	**(6 328)**
Total	**142**	**619**	**1 088**	**731**	**1 871**	**71 618**	**76 068**

([1]) Excluding loans for RRF (NGEU) and for financial assistance.
([2]) Excluding deferred charges.

In the 2024 EU annual accounts, the RON was added to the currency risk exposure and the sensitivity analysis, while the GBP was removed comparing to the 2023 EU annual accounts. The reason is a decrease of the exposures in GBP since the United Kingdom left the EU in 2020 and a continued increase of the exposures in RON.

If the EUR had strengthened or weakened against other currencies by 10 %, then it would have had the following impact on the economic result:

EUR million

FX Rate Increase (+)/ Decrease (-)	2024			
	USD	RON	PLN	SEK
+ 10 %	*(13)*	*(47)*	*(55)*	*(38)*
– 10 %	*16*	*57*	*67*	*47*

EUR million

FX Rate Increase (+)/ Decrease (-)	2023			
	USD	RON	PLN	SEK
+ 10 %	*(13)*	*(56)*	*(99)*	*(66)*
– 10 %	*16*	*69*	*121*	*81*

Borrowing and lending activities for NGEU and financial assistance

Since all financial assets and liabilities of the EU are currently in EUR, the EU is not exposed to foreign currency risk.

Treasury

Own resources paid by Member States in currencies other than EUR are kept on the own resource's accounts. When these funds are needed for payments, they are converted into EUR. In some cases, they are directly used for payments in the same currencies.

The Commission also holds accounts in EU currencies other than EUR, such as USD, GBP, and CHF, with commercial banks to execute payments in these currencies. These accounts are replenished as needed which mitigates the currency risk.

When miscellaneous receipts are received in currencies other than EUR, they are either transferred to Commission accounts in the same currencies or converted into EUR and transferred to accounts in EUR.

Imprest accounts in currencies other than EUR are replenished based on estimated short-term payment needs and are kept within their respective ceilings.

Fines

All fines imposed, paid, or provisionally covered are in EUR, eliminating any foreign currency risk when they are held in the BUFI Fund.

Budgetary guarantees

Budgetary guarantees are typically capped at a maximum amount in EUR. However, some underlying operations may be denominated in other currencies, such as USD or local currencies.

The Commission considers currency risk when determining the provisioning needs for budgetary guarantees.

Common Provisioning Fund

The CPF operates in both EUR and USD. To manage currency risk, the CPF enters into foreign exchange forward contracts to hedge the market value of its USD investments, with the limit for maximum unhedged foreign exchange exposure set at 1 % of the total portfolio value within the benchmark and annual strategy allocations, as defined in the relevant financial instruments. See note **2.4.1.2** for further information.

The CPF uses this hedging strategy to adjust or reverse the hedged position accordingly, as needed. However, the CPF does not hedge currency risk for subrogated loans (see note **2.4.1.2**) that are carried in their original currency, which expose the EU to currency risk. For these loans, there are no activities to compensate for foreign currency variations, due to uncertainty relating to the loans' repayment timing.

6.4. **INTEREST RATE RISK**

The following table shows how a 1 % change in interest rates (+/– 100 basis points) would affect the EU's economic result for debt securities and ETFs.

EUR million

	Increase (+) / decrease (-) in basis points	Economic result
2024: Financial assets at FVSD	*+ 100*	*(1 172)*
	– 100	*1 246*
2023: Financial assets at FVSD	*+ 100*	*(960)*
	– 100	*1 021*

The sensitivity of a bond portfolio to interest rate changes increases with its duration. The duration of the main asset portfolios managed by the Commission is outlined below.

Borrowing and lending activities for NGEU and financial assistance

Due to its borrowing and lending activities, the EU has significant interest-bearing assets and liabilities. However, for the financial assistance instruments, excluding borrowings under the unified funding approach, there is no interest rate risk since the borrowings are offset by equivalent loans at the same terms and conditions (back-to-back).

For the unified funding approach interest rate risk is covered by implementing procedures and mechanisms that mitigate the risk. The underlying principle of the unified funding approach is to allocate the cost of funding and related costs to loan beneficiaries and the EU budget in a transparent, most cost-effective and equitable way, based on daily interest calculations. The unified funding is based on the principle of full allocation of cost, so any interest cost coming from borrowing instruments, cash holding, or other investment instruments are fully reallocated and invoiced to loan beneficiaries as cost of funding costs or liquidity management costs.

The costs of funding are allocated to loan beneficiaries based on the outstanding amount of loans. Funding costs not allocated to loans or non-repayable support are invoiced to loan beneficiaries and the EU budget in the form of liquidity management costs, which can be positive or negative depending on the evolution of interest rates applied on cash balances.

Under the unified funding approach, cash is held in an EU prudential and funding pool to maintain a defined safety buffer while avoiding excess balances. The cash is kept at the ECB and since 4 April 2022, the euro money market short-term interest rate minus 20 basis points applies to any outstanding cash balance. Any revenues from cash holding and other investment instruments such as money market term deposits are part of liquidity management cost invoicing.

Treasury

The Commission has measures in place to ensure that interest earned on its bank accounts regularly reflects market interest rates and their possible fluctuations.

Own resources accounts are protected from any costs as they are free of any charge or interest in accordance with Article 9.1 of Council Regulation (EU, Euratom) No 609/2014.

Accounts opened with Member States treasuries for own resources receipts are non-interest bearing and free of charge. Accounts held with national central banks (own resources and other) may be remunerated at the official rates applied by each institution.

The Commission adapts its cash management procedures according to current market interest conditions. In 2023, the positive interest rates facilitated the implementation of the central account model. A safety cash buffer is held on central deposit accounts based on a weekly funding from own resources accounts to cover payment needs for the implementation of the budget while avoiding excess balances.

Overnight balances held on commercial and central bank accounts earn interest daily, based on variable market rates with a contractual margin (positive or negative) applied.

Fines

The provisionally cashed fines are invested in a portfolio of long-term bonds with an average portfolio duration of 1,55 years.

Common Provisioning Fund

The CPF portfolio has a total average duration of 3,42 years.

ECSC i.L.

The ECSC i.L. amounts are invested in a long-term bond portfolio with an average duration of 3,31 years.

6.5. OTHER PRICE RISK

As of 31 December 2024, the EU is exposed to equity risk from various investments, including:

— Non-quoted equity investments (such as venture capital and other investment funds);

— Money market funds (such as the EIB Unitary Fund);

— ETFs;

— Investments in pooled portfolios (see note **2.4.2.1**).

The EU is also exposed to equity risk through guarantees covering non-quoted equity and quasi equity investments, which are treated as derivatives at fair value through surplus or deficit (see note **2.4.2.2**).

Equity price risk is the risk that the fair values of equity investments change due to fluctuations in equity prices and/or the value of guaranteed equity investments.

The effect on surplus or deficit of a 10 % value increase or decrease of the above-mentioned instruments would be as follows:

EUR million

	10 %	(10) %
Equity investments	*320*	*(320)*
MMFs, ETFs and investments in pooled portfolios	*598*	*(598)*
Guarantees on equity ([1])	*606*	*(606)*
Total at 31.12.2024	**1 523**	**(1 523)**
Equity investments	*289*	*(289)*
MMFs, ETFs and investments in pooled portfolios	*481*	*(481)*
Guarantees on equity ([1])	*506*	*(506)*
Total at 31.12.2023	**1 276**	**(1 276)**

([1]) *The risk of guarantees on equity is based on the notional amount that is covered by the guarantee.*

The EU invests in or guarantees unquoted assets, whose values are not publicly available. These assets are typically implemented by entrusted entities, which are experts in the industry and regularly assess and monitor their value.

6.6. CREDIT RISK

Maximum credit risk exposure

EUR million

	31.12.2024	31.12.2023
Financial assets		
Loans	*283 580*	*246 877*
Cash and cash equivalents	*63 163*	*39 616*

EUR million

	31.12.2024	31.12.2023
Exchange receivables ([1])	*3 240*	*4 032*
Financial assets at FVSD – debt securities	*34 465*	*29 703*
Financial assets at FVSD – derivatives	*1 110*	*1 091*
Guarantees given and loan commitments		
FGCs	*60 857*	*57 066*
Loan commitments	*18 193*	*40*
Total	**464 607**	**378 426**

([1]) *Excluding deferred charges.*

In addition, the EU is indirectly exposed to the credit risk through its investments in MMFs, corporate bond ETFs and pooled portfolios of debt securities (see note **2.4.2.1**), which may impact their prices (see note **6.5**).

Loans: credit quality

EUR million

31.12.2024					
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit rating					
Prime and high grade	*35 593*	*–*	*–*	*–*	*35 593*
Upper medium grade	*87 005*	*–*	*–*	*–*	*87 005*
Lower medium grade	*129 200*	*–*	*–*	*–*	*129 200*
Non-investment grade (incl. default)	*3 593*	*44 139*	*14*	*27*	*47 773*
Gross carrying amount	**255 391**	**44 139**	**14**	**27**	**299 571**
Minus loss allowance	*(31)*	*(15 969)*	*(14)*	*24*	*(15 991)*
Net carrying amount	**255 360**	**28 170**	**(1)**	**51**	**283 580**

EUR million

31.12.2023					
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit rating					
Prime and high grade	*36 302*	*–*	*–*	*–*	*36 302*
Upper medium grade	*72 051*	*–*	*–*	*–*	*72 051*
Lower medium grade	*113 652*	*–*	*–*	*–*	*113 652*
Non-investment grade (incl. default)	*2 130*	*31 762*	*25*	*38*	*33 955*
Gross carrying amount	**224 134**	**31 762**	**25**	**38**	**255 960**
Minus loss allowance	*(54)*	*(9 024)*	*(23)*	*18*	*(9 083)*
Net carrying amount	**224 081**	**22 738**	**2**	**56**	**246 877**

The risk categories mentioned above are in principle based on the rating scales of external rating agencies. These categories correspond to:

— Prime and high grade: Moody's P-1, Aaa – Aa3; S&P A-1+, A-1, AAA – AA-; Fitch F1+, F1, AAA – AA- and equivalent;

— Upper medium grade: Moody's P-2, A1 – A3; S&P A-2, A+ – A-; Fitch F2, A+ – A- and equivalent;

— Lower medium grade: Moody's P-3, Baa1 – Baa3, S&P A-3, BBB+ – BBB-; Fitch F3, BBB+ – BBB- and equivalent;

— Non-investment grade: Moody's not prime, Ba1 – C; S&P B, C, D, BB+ – D; Fitch B, C, D, BB+ – D and equivalent.

The EU uses these rating categories as a reference point for financial instruments and commercial banks. However, the EU may keep amounts in a particular risk category even if a rating agency has downgraded the counterparty, after making its own analysis of individual cases.

The loans in the non-investment grade are mainly financial assistance loans to partner countries in financial difficulties. All loans to Member States are in investment grade and in Stage 1. The loans in Stage 2 include mainly the MFA, MFA+, Ukraine Facility and Euratom loans to Ukraine. The POCI loans are subrogated loans from the ELM programmes.

Borrowing and lending activities for NGEU and financial assistance

In case of default by debtors, the Commission may draw on the assets held in the CPF to service any related debt due, specifically for MFA and Euratom loans to third countries (except MFA+).

Loans provided to Ukraine under the exceptional MFA programme (EUR 6 billion disbursed in 2022) are firstly covered by their compartment in the CPF, and then also by additional EUR 3,7 billion of Member States' guarantees, that are considered as credit enhancement for those loans and thus reduce an impairment allowance recognised in relation to those loans to EUR 337 million (out of the entire impairment allowance of EUR 10,1 billion covering the total MFA and MFA+ loans to Ukraine) as at 31 December 2024.

The Commission manages exposure to credit risk for Euratom loans by obtaining state guarantees, which total EUR 300 million on 31 December 2024 (2023: EUR 314 million).

Loans provided to Member States under the SURE instrument are underpinned by a system of voluntary guarantees from Member States, amounting to 25 % of the maximum ceiling available for the related financial assistance.

For any credit losses on the loans to Member States, MFA+ and Ukraine Facility the Commission may call upon Member States, while respecting the own resources ceilings ('the budgetary headroom'; see note **6.7**).

Loans: Movement in impairment loss allowance

EUR million

	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance at 1.1.2024	*54*	*9 024*	*23*	*(18)*	*9 083*
Transfer to Stage 1	*23*	*(23)*	–	–	–
Transfer to Stage 2	*(0)*	*0*	–	–	–
Transfer to Stage 3	–	–	–	–	–
New loans	*14*	*5 694*	–	–	*5 708*
Derecognitions – repayments	*(1)*	*(25)*	*(8)*	–	*(34)*
Derecognitions – write-offs	–	–	–	*(12)*	*(12)*
Loss allowance remeasurement	*(59)*	*1 299*	*(1)*	*6*	*1 245*
Other	*0*	*0*	*0*	–	*0*
Loss allowance at 31.12.2024	**31**	**15 969**	**14**	**(24)**	**15 991**

The additional impairment loss allowance on Stage 2 loans is mainly due to new loans to Ukraine disbursed under the Ukraine Facility (see note **2.4.1.1**).

In 2024, the EU granted EUR 763 million of interest rate subsidies to Ukraine for interest accrued on some of the exceptional MFA loans and MFA+ loans. The amortised cost before modification was EUR 17,3 billion. This modification of the contractual terms was accounted for as a modification loss in the statement of financial performance (see note **3.15**). The interest rate subsidy did not have a significant impact on the credit risk assessment, and the loans continued to be classified as Stage 2 as at 31 December 2024.

Please refer to note **1.5.5** for the EU staging policies for loans.

Loans: ECL measurement

The EU uses a probability-weighted estimation to measure expected credit losses. This involves estimating the difference between contractual cash flows and expected cash flows.

The EU uses three credit risk parameters for this estimation:

— Probability of default (PD): This is a percentage that represents the likelihood of a counterparty defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.

— Loss given default (LGD): This is a percentage that shows the expected cash shortfall, taking into account recoveries and collaterals.

— Exposure at default (EAD): This is the outstanding exposure (amount) at the time of a default.

The EU takes into account its de facto preferred creditor status when estimating the LGD on sovereign exposures.

The estimated cash flows over the expected life of the financial asset are discounted at the effective interest rate.

The EU considers reasonable and justified forward-looking information, available without undue cost and effort, and adjusts the model parameters when necessary.

Cash and cash equivalents: credit quality

EUR million

	31.12.2024	31.12.2023
Credit rating		
Premium and high grade	*57 251*	*35 687*
Upper medium grade	*4 161*	*3 114*
Lower medium grade	*1 722*	*786*
Non-investment grade	*28*	*28*
Gross carrying amount	**63 163**	**39 616**
Minus loss allowance	-	–
Net carrying amount	**63 163**	**39 616**

Treasury

Most of the Commission,s treasury resources are kept on own resource accounts opened by Member States for the payment of their own resource's contributions, mainly GNI, VAT and TOR. These accounts are held with Member States, treasuries or national central banks, which carry the lowest credit (or counterparty) risk for the Commission.

For the part of the Commission's treasury resources kept with commercial banks, 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 are kept on each commercial account, ensuring that the total amount kept overnight on these commercial accounts remains constantly at low levels (overall less than EUR 100 million on average).

Specific guidelines are applied for the selection of commercial banks to further minimise counterparty risk to which the Commission is exposed. These guidelines include:

— Selecting commercial banks through calls for tender, with a minimum long-term credit rating of S&P A- or equivalent.

— Monitoring ratings and defining a maximum exposure on each financial institution, taking into account the creditworthiness and capitalisation of the financial sector entity.

— Holding imprest accounts with local banks selected by a simplified tendering procedure in delegations outside the EU, with rating requirements depending on the local situation. To limit risk exposure, balances on imprest accounts are kept at the lowest possible levels, regularly replenished, and the applied ceilings are reviewed on a yearly basis.

Cash held under unified funding

Under the unified funding approach, sufficient cash is held to meet all upcoming disbursement needs and maintain a defined safety buffer, while avoiding any excess balances. The cash is placed on a bank account at the ECB, thus the credit risk is very low.

Receivables: credit quality

EUR million

	Not due	Past due 0-30 days	Past due 31-90 days	Past due 91 days - 1 year	Past due > 1 year	Total
Gross carrying amount	1 508	15	33	27	207	*1 789*
Minus loss allowance	(5)	(2)	(3)	(13)	(115)	*(138)*
Net carrying amount at 31.12.2024	**1 502**	**13**	**30**	**14**	**92**	***1 652***
Gross carrying amount	1 819	23	10	40	304	*2 195*
Minus loss allowance	(2)	(2)	(4)	(12)	(140)	*(159)*
Net carrying amount at 31.12.2023	**1 817**	**21**	**6**	**28**	**164**	**2 036**

The amounts in this table do not include deferred charges and the FGC receivable leg measured at FVSD (see note 2.6.2), as they are not subject to the impairment requirements.

Financial assets at FVSD – debt securities: credit quality

Common Provisioning Fund

The weighted average credit rating of the CPF portfolio is A (S&P or equivalent).

Provisionally cashed fines: BUFI portfolio

The weighted average credit rating of the portfolio is A (S&P or equivalent).

Financial guarantees received

The risk management policy applied for the acceptance of financial guarantees ensures a high credit quality for the Commission. This policy includes:

— Defining a maximum credit exposure based on a financial sector entity's credit rating and capital level, as reported in its IFRS financial statements.

— Regularly reviewing the compliance of outstanding guarantees with the policy requirements.

ECSC i.L.

The weighted average credit rating of the portfolio is A- (S&P or equivalent).

Financial assets at FVSD – derivatives: credit quality

The EU's derivative assets mainly relate to guarantees on equity portfolios. The credit risk is limited to counterparty risk. The guarantee on equity will be settled mainly with the EIB Group, which has a rating of AAA, reducing the credit risk.

The sole counterparty for all outstanding currency forwards as of 31 December 2024 is the Banque de France. As a result, no credit enhancements, such as collateral or guarantees, are needed.

Financial guarantee contracts: credit quality

EUR million

	31.12.2024			31.12.2023		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Long-term rating						
Prime and high grade	*1*	*–*	***1***	*2*	*–*	***2***
Upper medium grade	*5*	*–*	***5***	*5*	*0*	***5***
Lower medium grade	*137*	*–*	***137***	*29*	*–*	***29***
Non-investment grade	*34 912*	*25 746*	***60 658***	*30 310*	*26 697*	***57 007***
Managed on collective basis / not rated	*10*	*47*	***56***	*13*	*10*	***23***
Total	**35 064**	**25 793**	**60 857**	**30 360**	**26 707**	**57 066**

Financial guarantee contracts: Movement in the loss allowance

EUR million

	Stage 1	Stage 2	Total
Loss allowance at 1.1.2024	*1 430*	*2 397*	*3 826*
Transfer to Stage 2 ([1])	*(54)*	*54*	*–*
Transfer to Stage 1 ([1])	*8*	*(8)*	*–*
Additions	*292*	*34*	*326*
Release of guarantees	*(26)*	*(4)*	*(30)*
Remeasurement	*280*	*(398)*	*(117)*
Loss allowance at 31.12.2024	***1 930***	***2 075***	***4 005***
Financial guarantee liability carrying amount at 31.12.2024	**4 109**	**2 271**	**6 379**

([1]) *Transfers from and to Stage 1 / Stage 2 are measured at the opening balance impairment allowance, whereas the changes of the amount arising from the change of the stage (i.e. measurement at 12-months or lifetime ECL) are part of re-measurement.*

The increase of the loss allowance for guarantees in Stage 1 in 2024 was mainly due to new operations signed under the InvestEU and NDICI guarantees (see note **4.1.1**).

Out of the outstanding ECL for guarantees in Stage 2 of EUR 2,1 billion as at 31 December 2024, EUR 1,7 billion relates to the ELM guarantees (see note **4.1.1**). This includes EUR 0,9 billion lifetime ECL for the EIB exposure in Ukraine (EUR 3,7 billion outstanding EIB loans to counterparts in Ukraine) guaranteed by the EU. The reduction of the ECL for guarantees in Stage 2 mainly relates to the remeasurement of the ECL for ELM guaranteed portfolio due to its amortisation, as well as change in estimates.

Please refer to the note **1.5.12** for the EU staging policies for financial guarantee contracts.

Budgetary guarantees

The EU is mainly exposed to credit risk through the operations it guarantees. When the credit quality of the underlying operations deteriorates, default events become more likely and calls on EU guarantees may also increase.

To monitor and manage this risk, the Commission relies on a Credit Risk Model that assesses potential losses. The model uses inputs from implementing partners and combines them with expert judgment to derive a risk assessment that is coherent with the transaction and relevant economic circumstances.

6.7. LIQUIDITY RISK

Maturity analysis of non-derivative financial liabilities by remaining contractual maturity

EUR million

	Undiscounted contractual cash-flows				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
Borrowings	*(61 589)*	*(201 152)*	*(468 669)*	*(731 410)*	*(594 028)*
Payables	*(55 414)*	–	–	*(55 414)*	*(55 414)*
Other	*(168)*	*(560)*	*(850)*	*(1 578)*	*(1 398)*
Total at 31.12.2024	**(117 171)**	**(201 711)**	**(469 519)**	**(788 401)**	**(650 839)**
Borrowings	*(24 526)*	*(147 211)*	*(367 296)*	*(539 033)*	*(450 561)*
Payables	*(50 516)*	–	–	*(50 516)*	*(50 516)*
Other	*(195)*	*(661)*	*(867)*	*(1 723)*	*(1 496)*
Total at 31.12.2023	**(75 237)**	**(147 872)**	**(368 164)**	**(591 272)**	**(502 572)**

Maturity analysis of derivative financial liabilities by remaining contractual maturity

EUR million

	Undiscounted contractual cash-flows				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
Derivative pay leg	*(1 779)*	*(7)*	*(4)*	*(1 790)*	
Derivative receive leg	*1 691*	–	–	*1 691*	
Net cash flows at 31.12.2024	**(88)**	**(7)**	**(4)**	**(99)**	**(98)**
Derivative pay leg	*(1 203)*	*(6)*	–	*(1 209)*	
Derivative receive leg	*1 186*	–	–	*1 186*	
Net cash flows at 31.12.2023	**(17)**	**(6)**	–	**(23)**	**(21)**

Maturity analysis of financial guarantee contracts issued by earliest period in which the guarantee could be called

EUR million

	Maximum amount of guarantee				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
FGCs at 31.12.2024	*(64 115)*	*(2 211)*	*(10 271)*	*(76 597)*	*(6 379)*
FGCs at 31.12.2023	*(65 661)*	*(2 995)*	*(7 043)*	*(75 699)*	*(6 268)*

Maturity analysis of undrawn loan commitment

EUR million

	Maximum amount of undrawn loan commitment				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
Undrawn loan commitments at 31.12.2024	*18 152*	*41*	*–*	*18 193*	*7 082*
Undrawn loan commitments at 31.12.2023	*20*	*20*	*–*	*40*	*1*

Borrowing activities for NGEU and financial assistance

The EU's first recourse for repaying borrowings for financial assistance and NGEU is the timely collection of related financial assistance and NGEU loan repayments. However, additional safeguards are in place in case of payment defaults or payment delays by borrowers.

The Commission has established a short-term temporary measure called budgetary cover, which provides liquidity to cover payment of obligations arising from back-to-back financial assistance programmes.

For MFA and Euratom loans to third countries, the Guarantee Fund for external actions compartment of the CPF provides a liquidity reserve. This reserve is used to repay related borrowings, but only after recourse to third-party guarantors for Euratom (see note **6.6**).

If the available assets in the reserve are insufficient to cover actual losses, the Commission will activate measures to provide additional resources, such as temporary use of Commission's treasury liquidity, temporary transfers, or additional expenditure from the EU budget.

Loans provided to Ukraine under the exceptional MFA programme are covered by their compartment in CPF, as well as by additional Member States guarantees (see note **2.4.1.1**).

For loans disbursed and borrowings issued under the unified funding approach, the Commission may apply active cash management and short-term borrowing to service EU debts. Management of liquidity risk under this approach requires implementation of liquidity management procedures and dedicated tools to monitor and manage liquidity on a daily basis.

The Commission may also call resources from Member States up to the own resources ceiling to service EU debts. The own resources decision fixes the ceiling for own resources to cover annual appropriations for payments at 1,40 % of Member States' Gross National Income (GNI), plus an additional temporary increase of 0,6 percentage points exclusively for NGEU. The 2024 budget included a total of own resources of 0,79 % of EU GNI to finance the expenditure. This means that on 31 December 2024 there existed an available margin of 1,21 % to cover its liabilities.

Finally, loans provided to Member States under the SURE instrument are underpinned by a system of voluntary guarantees from Member States, amounting to 25 % of the maximum ceiling available for the related financial assistance. Before calling on these guarantees, the Commission is expected to examine the scope for drawing on the margin available under the own resources ceiling for payment appropriations.

The undrawn loan commitments as at 31 December 2024 mainly relate to the MFA loan under ULCM for EUR 18,1 billion (see note **2.4.1.1**). This loan will be disbursed in 2025 and financed by borrowings.

Treasury

The EU's budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

The total Member States' contributions together with miscellaneous revenue equal the amount of payment appropriations for the budgetary year. However, Member States' contributions are received in 12 monthly instalments throughout the year, based on the adopted budget, while payments are subject to operational needs.

Member States' contributions relating to amending budgets approved in a given month (N) only become available on the first working day of the month N+1 or N+2, while the related payment appropriations are immediately available.

To ensure that available treasury resources are always sufficient to cover payments to be executed in any given month, procedures regarding regular cash forecasting are in place. Own resources or additional funding can be called up in advance from Member States if needed, up to certain limits and under conditions foreseen in the Council Regulation (EU, Euratom) No 609/2014.

In addition to these procedures, automated cash management tools ensure that sufficient liquidity is available on each of the Commission's bank accounts, as part of the Commission's daily treasury operations.

Fines

The BUFI fund is managed to maintain a sufficient level of liquidity and mobilisation to meet short-term commitments. The portfolio is composed of mostly highly liquid securities that can be easily sold to meet cash outflows. The share of cash, cash equivalents and securities maturing within 1 year is approximately 61 %.

Budgetary guarantees

The EU's maturity analysis for financial guarantees uses a prudent approach, allocating the maximum guarantee amount to the earliest period in which the guarantee could be called. However, the probability of the EU being called for the entire amount in the first period is remote, and the expected loss is often lower than the guarantee ceiling. Therefore, the liquidity risk needs to be considered in conjunction with the carrying amount of the guarantee liabilities.

A key objective of the risk management framework is to ensure that the EU budget can honour its obligations without disrupting the normal implementation of the budget. This includes mitigating the liquidity risk related to budgetary guarantees, which is the risk of insufficient funds to fulfil payment obligations in a timely manner.

To address this risk, each budgetary guarantee is backed by sufficient provisioning paid into the CPF to ensure timely payment of guarantee calls. The EU regularly monitors the adequacy of the provisioning rate for each budgetary guarantee programme and reports annually on whether the amounts are sufficient to cover the risk for the next five years with a defined level of certainty.

In addition, the EU has safeguard procedures in place, including temporary transfers between CPF compartments and the use of central treasury liquidity, to ensure sufficient liquidity is available when needed.

Common Provisioning Fund

The CPF is managed to ensure that its assets have a sufficient degree of liquidity and mobilisation to meet short-term commitments. The portfolio is composed of liquid assets that can be easily sold to meet cash outflows if needed. Approximately 12 % of the portfolio is made up of cash, cash equivalents, and securities maturing within 1 year.

The settlement of derivative contracts is gross and based on their contractual maturity. If necessary, obligations are honoured by selling USD-denominated assets or through a swap transaction, which may result in a cash outflow due to foreign exchange differences.

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 personnel 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 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)	*34 419,66*	*31 177,23 - 32 424,31*	*24 941,78 - 28 059,50*	*26 937,12 - 28 683,05*	*15 859,33 - 24 941,78*
Residential/Expatriation allowance	*15 %*	*15 %*	*15 %*	*15 %*	*0-4 %-16 %*
Family allowances:					
Household (% salary)	*2 % + 231,51*	*2 % + 231,51*	*2 % + 231,51*	*2 % + 231,51*	*2 % + 231,51*
Dependent child	*505,87*	*505,87*	*505,87*	*505,87*	*505,87*
Pre-school	*123,59*	*123,59*	*123,59*	*123,59*	*123,59*
Education, or	*343,24*	*343,24*	*343,24*	*343,24*	*343,24*
Education outside place of work	*686,48*	*686,48*	*686,48*	*686,48*	*686,48*
Presiding judges allowance	*N/A*	*N/A*	*799,35*	*N/A*	*N/A*
Representation allowance	*1 865,24*	*1 198,77*	*799,35*	*N/A*	*N/A*

EUR

Entitlement (per employee)	Category 1	Category 2	Category 3	Category 4	Category 5
Annual travel costs	*N/A*	*N/A*	*N/A*	*N/A*	*Reimbursed*
Transfers to Member State:					
Education allowance ([1])	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
% of salary ([1])	*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	*68 839,32*	*62 354,46 - 64 848,62*	*49 883,56 - 56 119,00*	*53 874,24 - 57 366,10*	*Reimbursed*
Family travel expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Moving expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Leaving office:					
Resettlement expenses	*34 419,66*	*31 177,23 - 32 424,31*	*24 941,78 - 28 059,50*	*26 937,12 - 28 683,05*	*Reimbursed*
Family travel expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Moving expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Transition (% salary) ([2])	*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:					
Community tax	*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*	*12,10 %*
Number of persons at year-end	***3***	***8***	***93***	***27***	***112***

([1]) *with correction coefficient ('cc') applied.*
([2]) *paid for the first 3 years following departure.*

8. **EVENTS AFTER THE BALANCE SHEET DATE**

At the date of signature of these accounts no material issues had come to the attention of, or were reported to, the Accounting Officer of the Commission 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.

9. **SCOPE OF CONSOLIDATION**

A. **CONTROLLED ENTITIES (54)**	
1. **Institutions and consultative bodies (11)**	
Council of the European Union	*European Data Protection Supervisor*
Court of Justice of the European Union	*European Economic and Social Committee*
European Commission	*European External Action Service*
European Committee of the Regions	*European Ombudsman*
European Council	*European Parliament*
European Court of Auditors	
2. **EU Agencies AND Other Bodies (41)**	
2.1. ***Executive Agencies (6)***	
European Climate, Infrastructure and Environment Executive Agency (CINEA)	*European Innovation Council and SMEs Executive Agency (EISMEA)*
European Education and Culture Executive Agency (EACEA)	*European Research Council Executive Agency (ERCEA)*
European Health and Digital Executive Agency (HaDEA)	*European Research Executive Agency (REA)*
2.2. ***Decentralised Agencies and Other Bodies (35)***	
Agency for Support for the Body of European Regulators for Electronic Communications (BEREC Office)	*European Public Prosecutor's Office (EPPO)*
Community Plant Variety Office (CPVO)	*European Securities and Markets Authority (ESMA)*
European Agency for Safety and Health at Work (EU-OSHA)	*European Training Foundation (ETF)*
European Banking Authority (EBA)	*European Union Agency for Asylum (EUAA)*
European Border and Coast Guard Agency (Frontex)	*European Union Agency for Criminal Justice Cooperation (Eurojust)*
European Centre for Disease Prevention and Control (ECDC)	*European Union Agency for Cybersecurity (ENISA)*
European Centre for the Development of Vocational Training (Cedefop)	*European Union Agency for Fundamental Rights (FRA)*
European Chemicals Agency (ECHA)	*European Union Agency for Law Enforcement Cooperation (Europol)*
European Environment Agency (EEA)	*European Union Agency for Law Enforcement Training (CEPOL)*
European Fisheries Control Agency (EFCA)	*European Union Agency for Railways (ERA)*
European Food Safety Authority (EFSA)	*European Union Agency for the Cooperation of Energy Regulators (ACER)*

European Foundation for the Improvement of Living and Working Conditions (Eurofound)	*European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)*
European Institute for Gender Equality (EIGE)	*European Union Agency for the Space Programme (EUSPA)*
European Insurance and Occupational Pensions Authority (EIOPA)	*European Union Aviation Safety Agency (EASA)*
European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy)	*European Union Drugs Agency (EUDA)*
European Labour Authority (ELA)	*European Union Intellectual Property Office (EUIPO)*
European Maritime Safety Agency (EMSA)	*Translation Centre for the Bodies of the European Union (CdT)*
European Medicines Agency (EMA)	
3. **Other controlled entities (2)**	
European Coal and Steel Community in Liquidation (ECSC i.L.)	*European Institute of Innovation and Technology (EIT)*
B. **ASSOCIATES (1)**	
European Investment Fund (EIF)	

MINOR ENTITIES

The entities listed below have not been consolidated using the equity method in the 2024 EU consolidated financial statements on the basis of immateriality:

MINOR ENTITES (11)

Chips Joint Undertaking (Chip JU)

Circular Bio-based Europe Joint Undertaking (CBE JU)

Clean Aviation Joint Undertaking (CAJU)

Clean Hydrogen Joint Undertaking (Clean H2 JU)

Europe's Rail Joint Undertaking (EU-RAIL JU)

European Cybersecurity Competence Centre (ECCC)

European High Performance Computing Joint Undertaking (EuroHPC JU)

Global Health EDCTP3 Joint Undertaking (GHED JU)

Innovative Health Initiative Joint Undertaking (IHI JU)

Single European Sky ATM Research 3 Joint Undertaking (SESAR 3 JU)

Smart Networks and Services Joint Undertaking (SNS JU)

The annual accounts of the above entities are publicly available on their respective websites.

BUDGETARY IMPLEMENTATION REPORTS AND EXPLANATORY NOTES [48]

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[48] 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.

1. **EU BUDGET RESULT**

EUR million

Note		2024	2023
a	Revenue for the financial year	250 609	248 361
b	Payments against current year appropriations	(244 309)	(236 739)
c	Payment appropriations carried over to year N+1	(3 848)	(3 014)
d	Cancellation of unused appropriations carried over from year N-1	334	4
e	Evolution of assigned revenue (B)-(A)	(1 486)	(8 055)
	Unused appropriations at the end of current year (A)	*24 692*	*23 207*
	Unused appropriations at the end of previous year (B)	*23 206*	*15 152*
f	Exchange rate differences for the year	44	78
g	**Budget result**	**1 345**	**635**

The budget result of the EU is returned to the Member States in the following year through deduction against their amounts due for that year. It is calculated in accordance with Article 1 (1) of Council Regulation (EU, Euratom) No 608/2014 laying down implementing measures for the system of own resources. More information can be found under Section 3.7 'Calculation of the budget result'.

a. Revenue for the financial year: Table 5.1 'Summary of the implementation of EU Budget Revenue', column 8 'Total Revenue'.

b. Payments against current year appropriations: Table 6.3 'MFF – Implementation of Payment appropriations', column 2 'Payments made from adopted budget and column 4 'Payments made from assigned revenue'.

c. Payment appropriations carried over to year N+1: Table 6.3 'MFF – Implementation of Payment appropriations', column 7 automatic carry-overs plus column 8 carry-over by decision.

d. Cancellation of unused payment appropriations carried over from year N-1: takes into account the amount of payment appropriations carried over (automatically and on decision) at the end of previous year and the current year's 'Payments made from carryovers' as in column 3 of Table 6.3 'MFF – Implementation of Payment appropriations'.

e. Evolution of the total assigned revenue appropriations at year-end: calculates the difference of the amount of assigned revenue appropriations at the end of previous year (plus) and the amount of assigned revenue appropriations at the end of the current year (as in column 8 of Table 6.3 'MFF – Implementation of Payment appropriations' – minus) to obtain the net variation of assigned revenue in the current year.

f. Exchange rate differences include realised and non-realised exchange rate differences.

2. STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget revenue

EUR million

		Initial budget adopted	Final adopted budget	Entitlements established	Revenue
1	Own resources	136 499	141 170	141 082	141 047
	11 - *Sugar levies*	*0*	*0*	*(0)*	–
	12 - *Customs duties*	*24 620*	*20 119*	*20 102*	*20 066*
	13 - *VAT*	*23 616*	*23 463*	*23 438*	*23 438*
	14 - *GNI*	*81 169*	*90 449*	*90 334*	*90 334*
	16 - *Reduction of GNI-based contribution granted to certain Member States*	–	–	*23*	*23*
	17 - *Plastic packaging waste*	*7 094*	*7 140*	*7 185*	*7 185*
2	Surpluses, balances and adjustments	0	633	669	669
3	Administrative revenue	2 124	2 124	3 942	3 897
4	Financial revenue, default interest and fines	149	3 478	17 926	4 774
5	Budgetary guarantees, borrowing-and-lending operations	0	0	73 376	73 332
6	Revenue, contributions and refunds related to union policies	3 858	2 340	29 884	26 890
	Total	**142 630**	**149 744**	**266 879**	**250 609**
	of which Next Generation EU (NGEU)	–	–	*73 536*	*73 535*

Budget expenditure: commitments by multiannual financial framework (MFF) heading

EUR million

	MFF Heading	Initial adopted budget	Final adopted budget	Total appropriations available	Commitments made
1	Single Market, Innovation and Digital	21 493	21 492	29 209	25 962
2	Cohesion, Resilience and Values	74 561	74 583	86 683	84 193
	2a. *Economic, social and territorial cohesion*	*64 665*	*64 665*	*72 701*	*71 416*
	2b. *Resilience and values*	*9 895*	*9 917*	*13 982*	*12 778*
3	Natural Resources and Environment	57 339	57 307	59 874	57 964
	of which: Market-related expenditure and direct payments	*40 517*	*40 517*	*41 745*	*40 810*

EUR million

	MFF Heading	Initial adopted budget	Final adopted budget	Total appropriations available	Commitments made
4	Migration and Border Management	3 893	3 893	4 232	4 039
5	Security and Defence	2 321	2 699	2 778	2 770
6	Neighbourhood and the World	16 230	17 303	19 569	18 283
7	European Public Administration	11 988	12 057	14 502	13 351
	of which: Administrative expenditure of the institutions	*4 955*	*4 956*	*5 470*	*5 291*
O	Outside MFF	–	4 768	8 941	5 552
S	Solidarity mechanisms within and outside the Union (Special instruments)	1 561	1 178	1 899	1 546
	Total	**189 385**	**195 279**	**227 687**	**213 661**
	of which Next Generation EU (NGEU)	–	–	*721*	*490*

Budget expenditure: payments by multiannual financial framework (MFF) heading

EUR million

	MFF Heading	Initial adopted budget	Final adopted budget	Total appropriations available	Payments made
1	*Single Market, Innovation and Digital*	*20 828*	*20 900*	*32 504*	*25 864*
2	Cohesion, Resilience and Values	33 716	35 980	121 796	116 525
	2a. *Economic, social and territorial cohesion*	*24 156*	*26 493*	*54 441*	*51 949*
	2b. *Resilience and values*	*9 560*	*9 487*	*67 355*	*64 576*
3	Natural Resources and Environment	54 151	56 110	67 233	64 448
	of which: Market-related expenditure and direct payments	*40 505*	*40 474*	*41 702*	*40 762*
4	Migration and Border Management	3 249	3 261	3 727	3 405
5	Security and Defence	2 035	2 084	2 142	2 123
6	Neighbourhood and the World	15 291	14 454	16 241	15 395
7	European Public Administration	11 988	12 057	15 516	13 266
	of which: Administrative expenditure of the institutions	*4 955*	*4 956*	*6 091*	*5 224*
O	Outside MFF	–	3 755	14 261	3 987
S	Solidarity mechanisms within and outside the Union (Special instruments)	1 371	1 144	2 347	1 975
	Total	**142 630**	**149 744**	**275 769**	**246 988**
	of which Next Generation EU (NGEU)	–	–	*76 628*	*73 080*

Budget expenditure: outstanding commitments by multiannual financial (MFF) heading

EUR million

	MFF Heading	Outstanding commitments carried-over from 2023	Liquidation of outstanding commitm. carried from 2023	New outstanding commitments from 2024	Total outstanding commitments
		1	2	3	4=1+2+3
1	Single Market, Innovation and Digital	51 926	(18 682)	17 920	51 164
2	Cohesion, Resilience and Values	376 757	(103 313)	70 644	344 088
	2a. *Economic, social and territorial cohesion*	*154 864*	*(48 569)*	*67 875*	*174 170*
	2b. *Resilience and values*	*221 893*	*(54 744)*	*2 769*	*169 918*
3	Natural Resources and Environment	57 477	(23 526)	16 916	50 867
	of which: Market-related expenditure and direct payments	*358*	*(137)*	*150*	*371*
4	Migration and Border Management	5 121	(2 130)	2 763	5 754
5	Security and Defence	3 803	(1 383)	2 025	4 445
6	Neighbourhood and the World	39 987	(11 212)	13 321	42 097
7	European Public Administration	1 004	(1 004)	1 011	1 011
	of which: Administrative expenditure of the institutions	*608*	*(608)*	*623*	*623*
O	Outside MFF	6 447	(375)	1 827	7 899
S	Solidarity mechanisms within and outside the Union (Special instruments)	482	(429)	0	53
	Total	**543 003**	**(162 054)**	**126 428**	**507 378**
	of which Next Generation EU (NGEU)	*238 611*	*(68 834)*	*(3 481)*	*166 296*
	of which excluding Next Generation EU (NGEU)	*304 393*	*(93 220)*	*129 909*	*341 081*

3. NOTES TO THE BUDGETARY IMPLEMENTATION REPORTS

3.1. THE EU BUDGET FRAMEWORK

The budgetary accounts are kept in accordance with the Financial Regulation (FR). The general budget is the instrument which provides for and authorises the Union's revenue and expenditure every year, within the ceilings and other provisions laid down in the MFF in line with the legislative acts concerning multiannual programmes adopted under that framework.

3.2. **MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027**

EUR million in current prices

	2021	2022	2023	2024	2025	2026	2027	Total
1. Single Market, Innovation and Digital	20 919	21 878	21 727	21 598	21 596	21 230	20 991	149 939
2. Cohesion, Resilience and Values	6 364	67 806	70 137	73 289	75 697	66 404	70 128	429 825
2a. Economic, social and territorial cohesion	1 769	61 345	62 939	64 683	66 361	56 593	58 484	372 174
2b. Resilience and Values	4 595	6 461	7 198	8 606	9 336	9 811	11 644	57 651
3. Natural Resources and Environment	56 841	56 965	57 295	57 449	57 336	57 100	57 316	400 302
Of which: Market-related expenditure and direct payments	40 368	40 639	40 693	40 603	40 529	40 542	40 496	283 870
4. Migration and Border Management	1 791	3 360	3 814	4 020	4 871	4 858	5 619	28 333
5. Security and Defence	1 696	1 896	1 946	2 380	2 617	2 810	3 080	16 425
6. Neighbourhood and the World	16 247	16 802	16 329	16 331	16 303	15 614	16 071	113 697
7. European Public Administration	10 635	11 058	11 419	11 773	12 124	12 506	12 959	82 474
Of which: Administrative expenditure of the institutions	8 216	8 528	8 772	9 006	9 219	9 464	9 786	62 991
TOTAL COMMITMENT APPROPRIATIONS	**114 493**	**179 765**	**182 667**	**186 840**	**190 544**	**180 522**	**186 164**	**1 220 995**
TOTAL PAYMENT APPROPRIATIONS	**163 496**	**166 534**	**162 053**	**170 543**	**175 378**	**180 586**	**184 198**	**1 202 788**
as a percentage of GNI	1,18 %	1,12 %	0,99 %	0,96 %	0,95 %	0,95 %	0,93 %	1,01 %

Council Regulation (EU, Euratom) 2020/2093 laying down the 2021-2027 MFF was adopted on 17 December 2020 ([49]). The above table shows the MFF ceilings at current prices as adopted in the technical adjustment for the MFF 2021-2027 for 2025 ([50]), in accordance with the fixed annual deflator of 2 % set out in Article 4 (2) of the MFF Regulation. As stipulated in the Council Regulation (EU, Euratom) 2020/2093 laying down the 2021-2027 MFF, for commitment appropriations the amounts are split per Heading; for payment appropriations the ceilings only apply at total level. 2024 was the fourth financial year covered by the MFF 2021-2027.

Following the political agreement on the mid-term revision of the 2021-2027 MFF reached in the European Council of 1 February and with the European Parliament on 6 February 2024, the revised MFF Regulation ([51]) was adopted on 29 February. The mid-term revision reinforced the EU budget for the period 2024-2027 by EUR 64,6 billion, of which EUR 33 billion in loans, in a number of priority areas including support to Ukraine, the setting-up of the strategic technologies for Europe platform (STEP), the creation of the mechanism to cover additional costs to fund the Next Generation EU recovery instrument, arising from higher interest rates as well as the additional funding for migration management and international partnerships, and the reinforcement of some special instruments. The Solidarity and Emergency Aid Reserve (SEAR) is split as of 1 January 2024 into two separate instruments (the European Solidarity Reserve and the Emergency Aid Reserve). To integrate the impact of the Mid-term revision on the Annual Budget for 2024, Amending Budget 1/2024 was adopted ([52]).

The overall ceiling for commitment appropriations for 2024 was EUR 186 840 million, whilst the corresponding ceiling for payment appropriations was EUR 170 543 million.

Pursuant to Article 312(3) TFEU, the MFF determines the amounts of the annual ceilings for commitment appropriations by category of expenditure ('headings') and of the annual ceilings for payment appropriations. MFF headings correspond to the Union's major sectors of activity. An explanation of the various headings of the 2021-2027 MFF is given below.

The MFF 2021-2027 amounts to EUR 1 221 billion (EUR 1 081 billion in 2018 prices), including the European Development Fund (EDF). In addition, NextGenerationEU provides an additional amount of EUR 806,9 billion (EUR 750 billion in 2018 prices) up to 2023 in commitments and 2026 in payments. This initial amount has been adjusted to EUR 712 billion, as the total available loan support was not fully requested by the Member States.

For the annual budget procedure, the budget nomenclature is further structured by policy 'clusters', providing further clarity on how individual spending programmes contribute to the Union's policy goals.

Heading 1 – Single Market, Innovation and Digital

This heading includes key EU programmes supporting the areas of research and innovation, digital transformation, strategic infrastructure, strengthening the single market and strategic space projects. Programmes under this heading include Horizon Europe, the InvestEU Fund, Connecting Europe Facility, the Single market programme and the European space programme.

Programmes receiving contributions from NGEU (external assigned revenue) under this heading: Horizon Europe and InvestEU Fund.

Heading 2 – Sustainable growth: natural resources

This heading is divided in two sub-headings: Economic, social and territorial cohesion (2a), and Resilience and values (2b).

Spending under this heading aims at strengthening the resilience and cohesion between the EU Member States. The funding helps reduce disparities in and between EU regions, and within and across Member States, and promotes sustainable territorial development (European Regional Development Fund, Cohesion Fund, European Social Fund Plus). It also supports the Union's solidarity and cooperation in preparedness and response to disasters (Union Civil Protection

([49]) Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11, ELI: http://data.europa.eu/eli/reg/2020/2093/oj).

([50]) Technical adjustment of the financial framework for 2025 in accordance with Article 4 of Council Regulation (EU, Euratom) 2021/365 laying down the multiannual financial framework for the years 2021 to 2027, COM(2024) 320 final, 18.6.2024.

([51]) As last amended by Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L, 2024/765, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/765/oj).

([52]) Definitive adoption (EU, Euratom) 2024/1430 of Amending budget No 1 of the European Union for the financial year 2024 (OJ L, 2024/1430, 5.6.2024, ELI: http://data.europa.eu/eli/budget_suppl_amend/2024/1430/oj).

Mechanism and RescEU). In addition, programmes under this heading seek to make the EU more resilient to present and future challenges by investing in the green and digital transition, young people (Erasmus), health (EU4Health) and action to protect EU values (Justice, Rights and Values) and promote cultural diversity (Creative Europe).

This heading includes the RRF, powered by the vast majority of the funding provided by NGEU over the period 2021-2023. Other programmes receiving contributions from NGEU (external assigned revenue) under this heading: REACT-EU, Union Civil Protection Mechanism (RescEU). For a more detailed overview of the RRF activities, consult sections on the NGEU **2** and **3** of the Financial Highlights of the Year.

Heading 3 – Natural Resources and Environment

Expenditure under this heading invests in sustainable agriculture (common agricultural policy) and fisheries and maritime policy (European Maritime, Fisheries and Aquaculture Fund), as well programmes dedicated to environmental protection and climate action (LIFE programme, Just Transition Fund).

Programmes receiving contributions from NGEU (external assigned revenue) under this heading: rural development, Just Transition Fund.

Heading 4 – Migration and Border Management

The programmes (Asylum, Migration and Integration Fund, Integrated Border Management Fund) and the decentralised agencies (such as the European Border and Coast Guard Agency (Frontex) and the European Union Agency for Asylum) financed under this heading seek to tackle the challenges linked to migration and the management of the EU's external borders and to the safeguarding of the asylum system within the EU.

Heading 5 – Security and Defence

This heading reflects the increased need for cooperation at Union level to address security threats and increase its strategic autonomy. It includes programmes whose role is to improve the security and safety of Europe's citizens (Internal Security Fund), to strengthen Europe's defence capacities (European Defence Fund), and to provide the tools needed to respond to internal and external security challenges.

Heading 6 – Neighbourhood and the World

Programmes under this heading reinforce the EU socio-economic impact in its neighbourhood, in developing countries and the rest of the world. The new NDICI- Global Europe instrument merges several former EU external financing instruments, including cooperation with African, Caribbean and Pacific (ACP) countries previously financed by the European Development Fund. The heading also includes assistance for countries preparing for accession to the EU (Pre-accession assistance) and the Union's Humanitarian Aid programme.

Heading 7 – European Public Administration

This heading covers administrative expenditure for all institutions, pensions and the European Schools.

S – Special instruments

Flexibility mechanisms in the EU budget enable the EU to mobilise the necessary funds to react to unforeseen events such as crisis, natural disasters and emergency situations. Their scope, financial allocation and operating modalities are provided for in the MFF Regulation and the Inter Institutional Agreement. They ensure that budgetary resources can respond to evolving priorities, so that every euro is used where it is most needed.

In the annual budgetary nomenclature and implementation, they are identified as special instruments ('S'), as they can be mobilised over and above the MFF expenditure ceilings, both for commitment and payment appropriations.

3.3. MFF DETAILED HEADINGS (PROGRAMMES)

The headings of the MFF are further broken down into detailed headings, corresponding to the main spending programmes (e.g. Horizon 2020, Erasmus+ etc.). Underlying legal bases for budget implementation are adopted at this programme level. Programmes are the commonly used structure for reporting on implementation and results. Tables by programme are shown in the budgetary implementation reports (see Tables **6.7 - 6.12** below).

3.4. NEXTGENERATIONEU

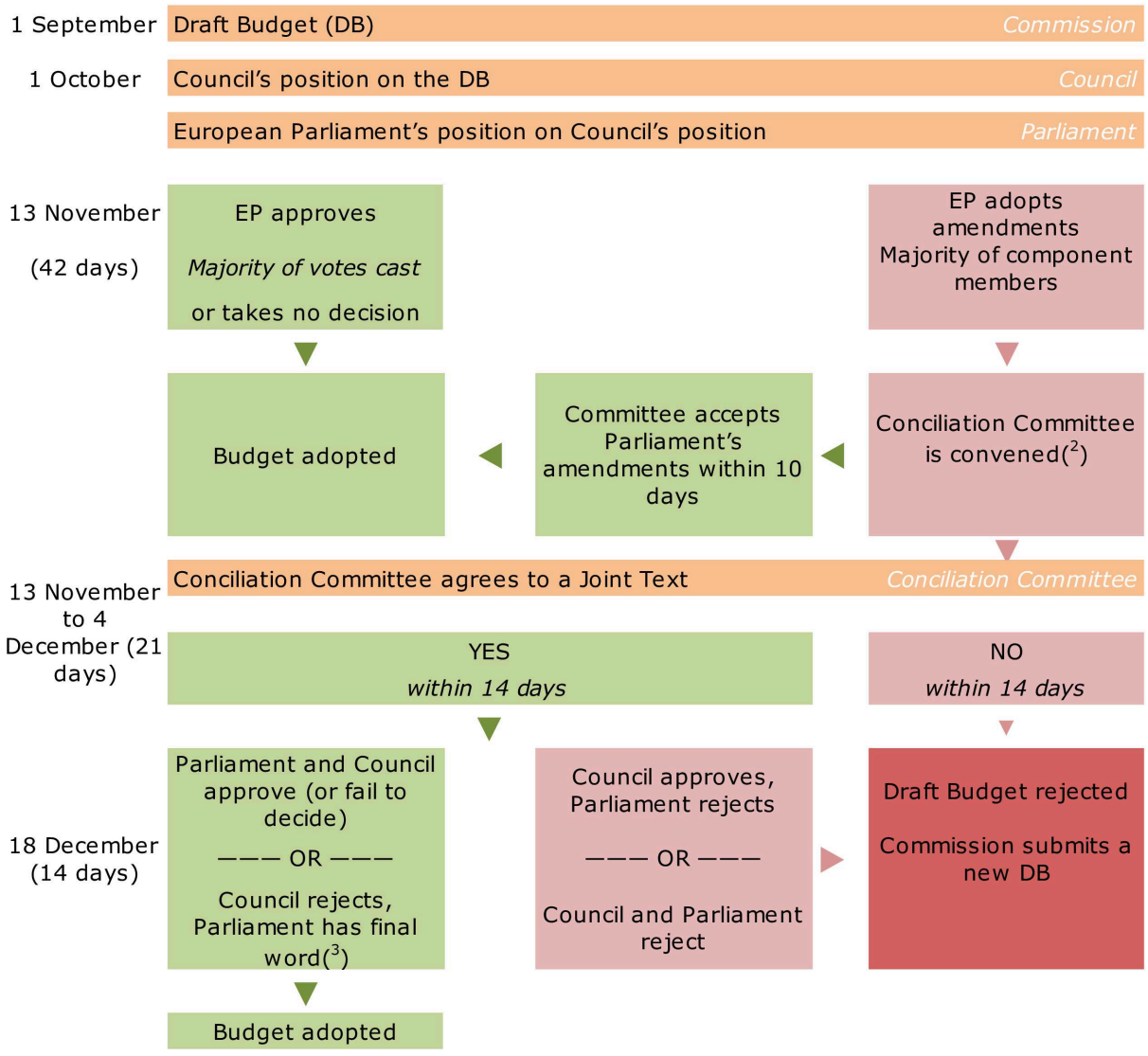
With a budget of EUR 420,8 billion for the non-repayable support, NGEU has a major impact on the total EU annual budgets 2021 through to 2026 and on their implementation. In 2021, this amount has been fully inscribed as assigned revenue appropriations. All commitments for the non-repayable support were entered by 31 December 2023 and will be honoured by payments by 31 December 2026, in accordance with the Articles 3(4) and 3(9) of the EURI Regulation ([53]).

For a comprehensive overview of the NGEU activities, consult Sections **2** and **3** of the Financial Highlights of the Year.

3.5. ANNUAL BUDGET

The budget adoption procedure is laid down in Article 314 of the Treaty on the Functioning of the EU. The following diagram presents the deadlines as well as the steps of the budget adoption.

Treaty timetable([1])



([53]) Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I, 22.12.2020, p. 23, ELI: http://data.europa.eu/eli/reg/2020/2094/oj).

(1) In practice, the three institutions endeavour to present their respective documents earlier in the year in order to smooth the process.

(2) The Conciliation Committee is composed of the members of the Council or their representatives and an equal number of members representing the European Parliament. The Commission takes part in the Conciliation Committee's proceedings and takes all the necessary initiatives to reconcile the positions of the European Parliament and the Council.

(3) The European Parliament approves the joint text and then, within 14 days of the Council's rejection, decides (by a majority of its component members and 3/5 of the votes cast) to confirm all or some of its amendments.

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 multiannual 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.

In the accounts, the types of funding are grouped into two main items:

— Final adopted budget appropriations; and

— Additional appropriations containing:

— Carry-overs from previous year (the Financial Regulation allows, for a limited number of cases, to carry unspent amounts from the previous year into the current year); and

— Assigned revenue arising from reimbursements, contributions from third parties/countries to EU programmes and work performed for third parties; these are assigned directly to the corresponding expenditure budget lines and constitute the third pillar of funding.

All funding types together form the available appropriations.

3.6. **REVENUE**

3.6.1. *Own resources revenue*

The vast majority of revenue comes from own resources, which consist of the following categories:

(1) Traditional own resources (TOR): accounted for around 14 % of own resources revenue in 2024.

(2) Value added tax (VAT) based resource: accounted for around 17 % of own resources revenue in 2024.

(3) Resource based on plastic packaging waste that is not recycled: accounted for around 5 % of own resources revenue in 2024.

(4) Gross national income (GNI) based resource: accounted for around 64 % of own resources revenue in 2024.

Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the EU (Own Resources Decision 2020) specifies the categories of own resources and lays down the methods for their calculation. This decision entered into force on 1 June 2021 and was applied retroactively from 1 January 2021.

The Own Resources Decision 2020 stipulates that the total amount of own resources allocated to the Union to cover annual appropriations for payments shall not exceed 1,40 % of the sum of all the Member States' GNIs. In addition, the decision empowers the Commission on an exceptional basis to borrow temporarily up to EUR 750 billion in 2018 prices on the capital markets on behalf of the Union to address the consequences of the COVID-19 pandemic through the recovery instrument NextGenerationEU. The own resources ceiling for appropriations for payments will be increased temporarily by 0,6 percentage points to cover all liabilities resulting from this borrowing.

As from 2021, 'other revenue' of the EU budget includes the financial contributions from the United Kingdom resulting from the financial settlement under the UK Withdrawal Agreement.

3.6.2. *Traditional own resources (TOR)*

TOR consist of customs duties levied on imports from third countries, which are collected by Member States on behalf of the EU. However, Member States retain 25 % to cover their collection costs. All established TOR amounts must be entered in one of the following accounts kept by the competent authorities:

In the ordinary accounts provided for in Article 6(3) of Council Regulation (EU, Euratom) No 609/2014: all amounts recovered or guaranteed.

In the separate accounts provided for in the same Article: all amounts not yet recovered and/or not guaranteed; amounts guaranteed but challenged may also be entered in this account.

Member States must book TOR to the Commission's account via their treasury or national central bank no later than the first working day after the 19th day of the second month following the month in which the entitlement was established (or recovered in the case of the separate account).

3.6.3. *Value added tax (VAT)*

The VAT own resource is calculated based on Member States' VAT bases, which are harmonised for this purpose in accordance with EU rules. A uniform call rate of 0,30 % applies to each Member State's total amount of VAT receipts collected for all taxable supplies divided by the weighted average VAT rate. The VAT base is capped at 50 % of each Member State's GNI.

3.6.4. *Non-recycled plastic packaging waste*

A uniform call rate of EUR 0,80 per kilogram applies to the weight of plastic packaging waste generated in each Member State that is not recycled. The plastic packaging waste that is not recycled in a given year is calculated as the difference between the plastic packaging waste generated and the plastic packaging waste recycled in that year in a Member State. Bulgaria, Czechia, Estonia, Greece, Spain, Croatia, Italy, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia and Slovakia are entitled to specific annual lump sum reductions in their respective plastics own resource contributions.

3.6.5. *Gross national income (GNI)*

The resource based on gross national income (GNI) is used to finance that part of the budget that is not covered by other revenue sources. A uniform call rate is levied on each Member State's GNI, which is established in accordance with EU rules.

3.6.6. *Gross reduction*

For the period 2021-2027, the following Member States benefit from a gross reduction in their annual GNI-based contributions; EUR 565 million for Austria, EUR 377 million for Denmark, EUR 3 671 million for Germany, EUR 1 921 million for the Netherlands and EUR 1 069 million for Sweden. These gross reductions are measured in 2020 prices and financed by all Member States.

3.6.7. *Adjustments to own resources of previous financial years*

VAT and GNI-based resources are determined on the basis of forecasts of the relevant bases made when the draft budget is prepared. These forecasts are subsequently revised and updated during the budget year concerned, by means of an amending budget. Differences between the amounts due by the Member States with reference to the actual bases, and the amounts actually paid on the basis of the (revised) forecasts, either positive or negative, are called by the Commission from the Member States for the first working day of March of the third year following the budget year concerned. Corrections may still be made to the actual VAT and GNI bases during the subsequent four years, unless a reservation is issued. These reservations represent potential claims on the Member States for uncertain amounts, as their financial impact cannot be accurately estimated. When the exact amount can be determined, the corresponding VAT and GNI-based resources are called either in connection with the VAT and GNI balances exercise or by individual calls for funds.The forecast of the plastics-based own resource is adjusted in a similar way. However, the differences between the amounts due by the Member States according to their annual statements with the outturn data, and the amounts actually paid on the basis of the (revised) forecasts, either positive or negative, are called by the Commission from the Member States for the first working day of June of the third year following the budget year concerned. Corrections may still be made to the actual bases during the subsequent five years, unless a reservation is issued.

3.7. **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, 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.

In accordance with Article 1(1) of Regulation (EU, Euratom) No 608/2014 laying down implementing measures for the system of own resources, the budget 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 year N budget implementation reports and those carried over to the following year in the year N-1 budget implementation reports. Commitment appropriations made available again following the repayment of payments on account are disregarded when calculating the budget result.

Payment appropriations carried over include automatic carry-overs and carry-overs by decision. The cancellation of unused payment appropriations carried over from the previous year comprises the cancellations of appropriations carried over automatically and by decision.

3.8. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR million

	2024	2023
ECONOMIC RESULT OF THE YEAR	**(97 208)**	**(71 437)**
Revenue		
Entitlements established in current year but not yet collected	*(6 773)*	*(5 714)*
Entitlements established in previous years and collected in current year	*9 925*	*10 046*
Entitlements collected not to be treated as revenue in the economic result	*83 953*	*73 209*
Accrued revenue (net)	*(723)*	*(923)*
	86 382	**76 618**
Expenses		
Accrued expenses (net)	*10 599*	*14 090*
Expenses prior year paid in current year	*(2 220)*	*(1 638)*
Net-effect pre-financing	*(11 678)*	*(12 575)*
Payment appropriations carried over to next year	*(4 031)*	*(3 208)*
Payments made from carry-overs & cancellation of unused payment appropriations	*1 711*	*(5 409)*
Movement in provisions	*9 948*	*3 752*
Other	*7 757*	*240*
	12 086	**(4 748)**
Economic result Agencies and ECSC i.L.	**85**	**202**
BUDGET RESULT OF THE YEAR	**1 344**	**635**

In accordance with the Financial Regulation, the economic result of the year is calculated on the basis of accrual accounting principles and the EU Accounting Rules, while the budget result is based on modified cash accounting rules. As the economic result and the budget result cover the same underlying transactions – the exception being the other (non-budgetary) sources of revenue and expenditure of the agencies and the ECSC i.L. which are included in the economic result only – the reconciliation of the economic result of the year with the budget result of the year serves as a useful consistency check.

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. Some entitlements collected are not to be treated as revenue in the economic result and must also be added for reconciliation purposes. They are mostly related to Next Generation EU financing.

The accrued revenue mainly consists of amounts related to financial corrections, own resources, 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

The 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. Only the net-effect, i.e. accrued expenses for current year minus the reversal of accrued expenses from the previous year, is taken into consideration. Payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure and therefore must be added to the economic result for reconciliation purposes.

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 through eligible costs accepted during the current year. 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.

As well as 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 1(1) of Regulation (EU, Euratom) No 608/2014). 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 amortisation/ depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

Reconciling item – Economic result Agencies and ECSC i.L.

The budget result of the year is a non-consolidated figure and does not include the other (non-budgetary) sources of revenue and expenditure of the consolidated agencies and the ECSC i.L. (see note **6**). To reconcile the economic result of the year – a consolidated figure which includes these amounts – with the budgetary result of the year, the whole consolidated economic result of the year of the agencies and the ECSC i.L. is presented as a reconciling item.

4. IMPLEMENTATION OF THE 2024 EU BUDGET

Please see Section 6, 'Summary of budget implementation' in the Financial Highlights of the Year for explanatory notes on the 2024 budget implementation for revenue and expenditure, outstanding commitments and budget result.

5.1. SUMMARY OF THE IMPLEMENTATION OF EU BUDGET REVENUE

EUR million

	Title	Income appropriations		Entitlements established			Revenue			Receipts as % of budget	Out standing
		Initial adopted budget	Final adopted budget	Current year	Carried over	Total	On entitle ments of current year	On entitle ments carried over	Total		
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
1	Own resources	136 499	141 170	141 280	(197)	141 082	141 202	(155)	141 047	100 %	36
	11 - Sugar levies	*0*	*0*	–	*(0)*	*(0)*	–	–	–	-	*(0)*
	12 - Customs duties	*24 620*	*20 119*	*20 299*	*(197)*	*20 102*	*20 222*	*(155)*	*20 066*	*100 %*	*36*
	13 - VAT	*23 616*	*23 463*	*23 438*	–	*23 438*	*23 438*	–	*23 438*	*100 %*	–
	14 - GNI	*81 169*	*90 449*	*90 334*	–	*90 334*	*90 334*	–	*90 334*	*100 %*	–
	16 - Reduction of GNI-based contribution granted to certain Member States	–	–	*23*	–	*23*	*23*	–	*23*	-	–
	17 - Plastic packaging waste	*7 094*	*7 140*	*7 185*	–	*7 185*	*7 185*	–	*7 185*	*101 %*	–
2	Surpluses, balances and adjustments	0	633	662	7	669	662	7	669	106 %	–
3	Administrative revenue	2 124	2 124	3 906	36	3 942	3 877	20	3 897	183 %	45
4	Financial revenue, default interest and fines	149	3 478	3 245	14 681	17 926	(739)	5 513	4 774	137 %	13 152
5	Budgetary guarantees, borrowing-and-lending operations	0	0	73 376	–	73 376	73 332	–	73 332	-	44
6	Revenue, contributions and refunds related to union policies	3 858	2 340	25 115	4 769	29 884	22 345	4 545	26 890	1 149 %	2 994
	Total	**142 630**	**149 744**	**247 584**	**19 295**	**266 879**	**240 680**	**9 929**	**250 609**	**167 %**	**16 270**

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

EUR million

MFF Heading		Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amend-ing budgets & transfers	Final adopted budget	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	Single Market, Innovation and Digital	21 493	(1)	21 492	95	7 621	29 209	20 828	72	20 900	109	11 495	32 504
2	Cohesion, Resilience and Values	74 561	22	74 583	12	12 088	86 683	33 716	2 264	35 980	813	85 003	121 796
	2a. Economic, social and territorial cohesion	*64 665*	–	*64 665*	*12*	*8 023*	*72 701*	*24 156*	*2 337*	*26 493*	*1*	*27 947*	*54 441*
	2b. Resilience and values	*9 895*	*22*	*9 917*	*0*	*4 065*	*13 982*	*9 560*	*(73)*	*9 487*	*812*	*57 056*	*67 355*
3	Natural Resources and Environment	57 339	(32)	57 307	316	2 252	59 874	54 151	1 959	56 110	324	10 799	67 233
	of which: Market-related expenditure and direct payments	*40 517*	*(0)*	*40 517*	*316*	*912*	*41 745*	*40 505*	*(32)*	*40 474*	*316*	*912*	*41 702*
4	Migration and Border Management	3 893	1	3 893	–	338	4 232	3 249	12	3 261	3	463	3 727
5	Security and Defence	2 321	378	2 699	–	79	2 778	2 035	48	2 084	8	51	2 142
6	Neighbourhood and the World	16 230	1 073	17 303	483	1 783	19 569	15 291	(838)	14 454	161	1 626	16 241
7	European Public Administration	11 988	69	12 057	1	2 445	14 502	11 988	69	12 057	1 004	2 456	15 516
	of which: Administrative expenditure of the institutions	*4 955*	*1*	*4 956*	*1*	*513*	*5 470*	*4 955*	*1*	*4 956*	*613*	*522*	*6 091*
O	Outside MFF	–	4 768	4 768	–	4 174	8 941	–	3 755	3 755	–	10 506	14 261

EUR million

MFF Heading		Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amend-ing budgets & transfers	Final adopted budget	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
S	Solidarity mechanisms within and outside the Union (Special instruments)	1 561	(383)	1 178	407	314	1 899	1 371	(227)	1 144	728	475	2 347
	Total	**189 385**	**5 894**	**195 279**	**1 314**	**31 094**	**227 687**	**142 630**	**7 114**	**149 744**	**3 150**	**122 875**	**275 769**

6.2. MFF: IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

EUR million

MFF Heading		Total appropr. available	Commitments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1	Single Market, Innovation and Digital	29 209	21 489	95	4 378	25 962	89 %	0	3 243	3 244	3	–	0	3
2	Cohesion, Resilience and Values	86 683	73 513	12	10 668	84 193	97 %	0	1 335	1 335	1 070	–	85	1 155
	2a. Economic, social and territorial cohesion	*72 701*	*63 596*	*12*	*7 808*	*71 416*	*98 %*	–	*131*	*131*	*1 070*	–	*85*	*1 154*

EUR million

	MFF Heading	Total appropr. available	Commitments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	2b. Resilience and values	*13 982*	*9 917*	*0*	*2 860*	*12 778*	*91 %*	*0*	*1 204*	*1 204*	*0*	–	*0*	*1*
3	Natural Resources and Environment	59 874	57 243	–	721	57 964	97 %	366	1 296	1 663	13	–	234	247
	of which: Market-related expenditure and direct payments	*41 745*	*40 465*	–	*345*	*40 810*	*98 %*	*366*	*567*	*933*	*2*	–	–	*2*
4	Migration and Border Management	4 232	3 892	–	147	4 039	95 %	–	191	191	1	–	0	1
5	Security and Defence	2 778	2 699	–	71	2 770	100 %	–	8	8	0	–	0	0
6	Neighbourhood and the World	19 569	16 646	421	1 217	18 283	93 %	657	566	1 224	0	62	0	62
7	European Public Administration	14 502	12 003	1	1 348	13 351	92 %	–	1 097	1 097	54	–	0	54
	of which: Administrative expenditure of the institutions	*5 470*	*4 911*	*1*	*379*	*5 291*	*97 %*		*134*	*134*	*45*	–	*0*	*45*
O	Outside MFF	8 941	4 737	–	815	5 552	62 %	30	3 359	3 389	0	–	–	0
S	Solidarity mechanisms within and outside the Union (Special instruments)	1 899	842	407	297	1 546	81 %	310	7	318	25	–	10	35
	Total	**227 687**	**193 064**	**937**	**19 661**	**213 661**	**94 %**	**1 365**	**11 103**	**12 468**	**1 166**	**62**	**330**	**1 558**

ELI: http://data.europa.eu/eli/C/2025/4944/oj

6.3. **MFF: IMPLEMENTATION OF PAYMENT APPROPRIATIONS**

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1	Single Market, Innovation and Digital	32 504	20 778	98	4 988	25 864	80 %	113	6 504	6 617	9	11	3	23
2	Cohesion, Resilience and Values	121 796	34 082	811	81 633	116 525	96 %	1 898	3 368	5 266	0	2	2	5
	2a. Economic, social and territorial cohesion	*54 441*	*26 490*	*1*	*25 458*	*51 949*	*95 %*	*2*	*2 489*	*2 491*	*0*	*1*	*0*	*1*
	2b. Resilience and values	*67 355*	*7 591*	*810*	*56 175*	*64 576*	*96 %*	*1 896*	*879*	*2 775*	*0*	*2*	*2*	*4*
3	Natural Resources and Environment	67 233	56 043	8	8 398	64 448	96 %	376	2 401	2 777	7	0	0	8
	of which: Market-related expenditure and direct payments	*41 702*	*40 416*	*0*	*345*	*40 762*	*98 %*	*367*	*567*	*934*	*6*	*0*	–	*6*
4	Migration and Border Management	3 727	3 231	2	171	3 405	91 %	28	292	320	2	0	0	2
5	Security and Defence	2 142	2 073	7	42	2 123	99 %	6	8	14	5	1	0	5
6	Neighbourhood and the World	16 241	14 346	153	897	15 395	95 %	107	729	836	1	9	0	10
7	European Public Administration	15 516	11 114	926	1 226	13 266	85 %	889	1 229	2 118	54	78	1	133
	of which: Administrative expenditure of the institutions	*6 091*	*4 329*	*557*	*338*	*5 224*	*86 %*	*582*	*183*	*766*	*45*	*55*	*1*	*100*

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
O	Outside MFF	14 261	3 634	–	353	3 987	28 %	121	10 154	10 274	(0)	–	–	(0)
S	Solidarity mechanisms within and outside the Union (Special instruments)	2 347	834	675	466	1 975	84 %	310	7	318	0	53	2	55
	Total	**275 769**	**146 134**	**2 680**	**98 175**	**246 988**	**90 %**	**3 848**	**24 692**	**28 540**	**78**	**154**	**8**	**240**

6.4. MFF: MOVEMENTS IN OUTSTANDING COMMITMENTS (RAL)

EUR million

	MFF Heading	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
1	Single Market, Innovation and Digital	51 926	(853)	(17 829)	33 244	25 962	(8 035)	(7)	17 920	51 164
2	Cohesion, Resilience and Values	376 757	(336)	(102 977)	273 444	84 193	(13 548)	(1)	70 644	344 088
	2a. Economic, social and territorial cohesion	*154 864*	*(161)*	*(48 409)*	*106 295*	*71 416*	*(3 540)*	*(1)*	*67 875*	*174 170*
	2b. Resilience and values	*221 893*	*(176)*	*(54 568)*	*167 149*	*12 778*	*(10 008)*	*(0)*	*2 769*	*169 918*
3	Natural Resources and Environment	57 477	(125)	(23 401)	33 950	57 964	(41 048)	(0)	16 916	50 867

EUR million

	MFF Heading	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
	of which: Market-related expenditure and direct payments	*358*	*(35)*	*(102)*	*221*	*40 810*	*(40 660)*	–	*150*	*371*
4	Migration and Border Management	5 121	(1)	(2 129)	2 991	4 039	(1 276)	(0)	2 763	5 754
5	Security and Defence	3 803	(4)	(1 378)	2 420	2 770	(744)	(0)	2 025	4 445
6	Neighbourhood and the World	39 987	(779)	(10 433)	28 776	18 283	(4 962)	(0)	13 321	42 097
7	European Public Administration	1 004	(76)	(927)	0	13 351	(12 339)	(2)	1 011	1 011
	of which: Administrative expenditure of the institutions	*608*	*(51)*	*(557)*	–	*5 291*	*(4 668)*	*(1)*	*623*	*623*
O	Outside MFF	6 447	(114)	(261)	6 072	5 552	(3 726)	(0)	1 827	7 899
S	Solidarity mechanisms within and outside the Union (Special instruments)	482	(0)	(429)	53	1 546	(1 546)	–	0	53
	Total	**543 003**	**(2 288)**	**(159 765)**	**380 950**	**213 661**	**(87 223)**	**(10)**	**126 428**	**507 378**

6.5. MFF: OUTSTANDING COMMITMENTS BY YEAR OF ORIGIN

EUR million

		<2018	2018	2019	2020	2021	2022	2023	2024	Total
1	Single Market, Innovation and Digital	957	639	2 663	4 496	4 309	7 314	11 086	19 700	51 164
2	Cohesion, Resilience and Values	1 587	273	588	1 478	3 357	42 094	54 161	240 550	344 088
3	Natural Resources and Environment	136	201	178	222	372	3 544	663	45 551	50 867
4	Migration and Border Management	40	3	18	421	139	313	1 580	3 241	5 754
5	Security and Defence	18	46	74	188	506	612	909	2 094	4 445

EUR million

		<2018	2018	2019	2020	2021	2022	2023	2024	Total
6	Neighbourhood and the World	1 336	1 149	1 651	1 948	4 056	8 352	9 878	13 726	42 097
7	European Public Administration	–	–	–	–	–	0	0	1 011	1 011
O	Outside MFF	–	–	–	–	65	2 586	3 421	1 827	7 899
S	Solidarity mechanisms within and outside the Union (Special instruments)	–	–	–	–	–	–	53	0	53
	Total	**4 074**	**2 312**	**5 172**	**8 752**	**12 804**	**64 814**	**81 750**	**327 700**	**507 378**

As a result from re-allocation of commitments in the framework of the migration to a new accounting system (SUMMA) a shift of outstanding amount (EUR 201 274 million) between years has occurred. The overall amount of outstanding commitments remains unchanged.

6.6. MFF: OUTSTANDING COMMITMENTS BY APPROPRIATIONS TYPE

EUR million

		From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjustments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjustments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2+3-4	6	7	8	9	10=6+7+8-9	11=5+10
1	Single Market, Innovation and Digital	43 318	(629)	21 584	20 969	43 304	8 608	(230)	4 378	4 895	7 860	51 164
2	Cohesion, Resilience and Values	129 392	825	73 525	31 113	172 629	247 365	(1 163)	10 668	85 412	171 459	344 088
	2a. Economic, social and territorial cohesion	*123 345*	*982*	*63 608*	*22 751*	*165 184*	*31 520*	*(1 144)*	*7 808*	*29 198*	*8 986*	*174 170*
	2b. Resilience and values	*6 048*	*(157)*	*9 917*	*8 363*	*7 445*	*215 846*	*(19)*	*2 860*	*56 214*	*162 473*	*169 918*
3	Natural Resources and Environment	41 606	109	57 243	56 066	42 891	15 871	(234)	721	8 382	7 976	50 867
	of which: Market-related expenditure and direct payments	*358*	*(35)*	*40 465*	*40 420*	*368*	*0*	–	*345*	*342*	*3*	*371*
4	Migration and Border Management	4 949	24	3 892	3 239	5 627	172	(25)	147	166	127	5 754

EUR million

		From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjustments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjustments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2+3-4	6	7	8	9	10=6+7+8-9	11=5+10
5	Security and Defence	3 748	(2)	2 699	2 066	4 379	55	(2)	71	57	66	4 445
6	Neighbourhood and the World	39 345	(701)	17 067	14 618	41 093	642	(78)	1 217	777	1 004	42 097
7	European Public Administration	886	(32)	12 004	11 969	888	118	(46)	1 348	1 297	123	1 011
	of which: Administrative expenditure of the institutions	*567*	*(10)*	*4 912*	*4 886*	*582*	*42*	*(42)*	*379*	*338*	*40*	*623*
O	Outside MFF	–	(0)	4 737	3 634	1 103	6 447	(114)	815	353	6 795	7 899
S	Solidarity mechanisms within and outside the Union (Special instruments)	321	(0)	1 249	1 517	53	161	–	297	458	–	53
	Total	**263 564**	**(405)**	**194 000**	**145 192**	**311 967**	**279 440**	**(1 893)**	**19 661**	**101 797**	**195 410**	**507 378**

6.7. DETAILED MFF: BREAKDOWN AND CHANGES IN COMMITMENT AND PAYMENT APPROPRIATIONS

EUR million

	Programme	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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	Horizon Europe	12 897	1	12 898	95	4 458	17 451	11 833	196	12 028	67	7 104	19 199
	Euratom	281	(1)	280	–	58	337	333	40	372	15	107	494
	Thermonuclear Experimental Reactor (ITER)	436	–	436	–	3	440	509	54	563	1	3	568

EUR million

Programme	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
Other actions	–	–	–	–	712	712	–	–	–	–	446	446
Pilot projects and prep. actions	24	–	24	–	0	25	27	(5)	22	–	0	22
InvestEU Fund	348	–	348	–	1 672	2 019	347	(89)	258	1	2 945	3 203
CEF - Transport	1 757	0	1 758	–	48	1 806	2 119	(49)	2 070	1	40	2 112
CEF - Energy	885	(1)	885	–	3	888	741	39	781	2	2	784
CEF - Digital	87	–	87	–	4	91	151	(11)	140	1	4	145
Digital Europe	1 266	(1)	1 265	–	75	1 340	1 150	(115)	1 034	7	71	1 112
Decentralised agencies	213	4	217	–	11	228	213	7	220	–	11	231
Other actions	–	1	1	–	170	171	–	1	1	–	170	171
Pilot projects and prep. actions	14	–	14	–	–	14	14	6	20	–	–	20
Actions under prerogatives of Commission	24	–	24	–	4	29	21	2	22	–	5	28
Single Market	602	1	604	–	48	651	601	(21)	580	8	68	657
EU Anti-Fraud	26	–	26	–	1	27	23	(1)	22	–	1	22
Taxation	38	–	38	–	1	39	30	4	35	0	1	36
Customs	136	–	136	–	9	144	105	27	132	0	9	141

EUR million

	Programme	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
	Decentralised agencies	136	(4)	132	–	15	147	136	(4)	132	–	15	147
	Other actions	9	(3)	6	–	1	7	9	(1)	8	–	1	8
	Pilot projects and prep. actions	12	–	12	–	–	12	11	(4)	7	–	–	7
	European Space Programme	2 088	(0)	2 088	–	327	2 415	2 183	(4)	2 179	5	489	2 673
	Decentralised agencies	78	1	79	–	4	83	78	4	82	–	4	86
	Pilot projects & preparatory actions	17	–	17	–	–	17	4	(4)	–	–	–	–
	Union Secure Connectivity	117	–	117	–	–	117	190	–	190	0	–	190
	Total Heading 1: Single Market, Innovation and Digital	21 493	(1)	21 492	95	7 621	29 209	20 828	72	20 900	109	11 495	32 504
2	Regional Development (ERDF) [1]	39 434	(4)	39 431	12	4 932	44 375	13 079	2 825	15 904	0	14 623	30 528
	Cohesion Fund	6 842	–	6 842	–	1 127	7 969	2 264	8	2 273	0	1 815	4 088
	Cohesion Fund contrib. to CEF-Transport	1 606	–	1 606	–	12	1 618	1 952	286	2 238	–	11	2 248
	Pilot projects and prep. actions	–	4	4	–	0	4	5	(2)	3	–	0	3
	European Social Fund Plus (ESF+) [1]	16 783	–	16 783	–	1 953	18 736	6 856	(781)	6 075	1	11 498	17 574
	Support to Turkish-Cypriot Community	34	–	34	–	8	42	32	5	37	0	7	44
	European Recovery and Resilience	123	–	123	–	2 784	2 907	105	(5)	100	2	55 240	55 342
	Pericles IV	1	–	1	–	0	1	1	(0)	1	0	0	1
	EU Recovery	3 340	–	3 340	–	51	3 391	3 340	–	3 340	651	51	4 042
	RescEU	240	–	240	0	27	268	260	0	260	125	476	862

EUR million

Programme	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
EU4Health	754	(0)	753	–	43	796	689	(146)	544	5	31	580
Emergency support within the Union (ESI)	–	–	–	–	8	8	2	(2)	–	–	36	36
Decentralised agencies	249	13	263	–	50	312	245	10	256	–	49	305
Pilot projects and prep. actions	–	–	–	–	–	–	–	–	–	–	–	–
Actions under prerogatives of Commission	12	0	12	–	0	13	12	0	12	–	0	12
Employment and Social Innovation	94	–	94	–	11	104	85	(3)	82	1	12	95
Erasmus+	3 796	–	3 796	–	993	4 789	3 522	43	3 565	16	1 051	4 631
European Solidarity Corps (ESC)	144	–	144	–	49	193	139	(7)	131	5	56	192
Creative Europe	335	–	335	–	21	356	366	33	398	4	25	428
Justice	42	–	42	–	1	43	39	9	48	1	1	50
Rights and Values	219	(0)	219	–	3	222	226	(28)	197	1	2	201
Decentralised agencies	295	9	303	–	9	313	286	12	299	–	10	308
Other actions	8	–	8	–	0	8	7	2	9	–	0	9
Pilot projects and prep. actions	26	–	26	–	0	26	39	(8)	30	–	0	31
Actions under prerogatives of Commission	183	–	183	–	7	190	167	11	178	–	7	185
Total Heading 2: Cohesion, Resilience and Values	74 561	22	74 583	12	12 088	86 683	33 716	2 264	35 980	813	85 003	121 796

EUR million

	Programme	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
3	Agricultural Guarantees	40 517	(0)	40 517	316	912	41 745	40 505	(32)	40 474	316	912	41 702
	Other progr. of Natural Resources and Environment	0	0	0	0	0	0	0	0	0	0	0	0
	Agricultural Fund for Rural Development	13 156	–	13 156	–	420	13 576	11 992	1 774	13 765	0	2 712	16 478
	Maritime and Fisheries	1 070	–	1 070	–	154	1 224	781	199	979	1	175	1 155
	Fisheries (SFPA and RFMO)	163	(33)	130	–	–	130	143	(29)	114	–	–	114
	Decentralised agencies	30	0	30	–	2	32	30	0	30	–	2	32
	Other actions	0	0	0	0	0	0	0	0	0	0	0	0
	Pilot projects and prep. actions	9	–	9	–	–	9	5	(2)	3	–	–	3
	Environment and Climate (LIFE)	765	3	768	–	5	773	571	29	600	7	4	612
	Just Transition Fund	1 490	–	1 490	–	246	1 736	3	2	5	–	6 465	6 470
	Loan facility under Just Transition Mechanism	50	–	50	–	504	554	35	25	60	–	521	582
	Decentralised agencies	68	(2)	66	–	8	74	68	(2)	66	–	8	74
	Pilot projects and prep. actions	6	–	6	–	–	6	12	(3)	9	–	–	9
	Specific actions	16	–	16	–	–	16	7	(3)	4	–	–	4
	Total Heading 3: Natural Resources and Environment	57 339	(32)	57 307	316	2 252	59 874	54 151	1 959	56 110	324	10 799	67 233
4	Asylum, Migration and Integration	1 508	(5)	1 503	–	10	1 513	1 359	1	1 360	2	10	1 372
	Decentralised agencies	169	(17)	152	–	18	170	169	(17)	152	–	18	170
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0	0	0	0

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EUR million

	Programme	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
	Border Mngmt. (IBMF) - Border mngmt and visa	1 023	(19)	1 004	–	182	1 186	524	42	565	1	307	873
	Border Mngmt. (IBMF) - Customs equipment	144	–	144	–	0	144	157	(16)	141	0	0	141
	Decentralised agencies	1 048	42	1 090	–	128	1 218	1 040	3	1 043	–	128	1 171
	Total Heading 4: Migration and Border Management	3 893	1	3 893	–	338	4 232	3 249	12	3 261	3	463	3 727
5	Internal Security Fund (ISF)	322	1	323	–	2	325	238	(27)	211	2	2	215
	Nuclear decommissioning	75	(7)	67	–	–	67	152	(10)	142	–	–	142
	Nuclear Safety and decommissioning	62	(2)	61	–	0	61	72	6	78	1	0	79
	Decentralised agencies	251	1	252	–	17	269	251	(3)	249	–	17	266
	Pilot projects and prep. actions	–	–	–	–	–	–	1	(0)	1	–	–	1
	Actions under prerogatives of Commission	23	9	32	–	0	32	21	15	36	–	0	36
	European Defence (Research)	218	125	344	–	12	355	211	(5)	206	1	7	215
	European Defence (Non Research)	420	260	680	–	23	703	540	8	547	2	21	570
	Military Mobility	251	–	251	–	–	251	262	73	335	1	–	335
	Defence instrument on common procurement	260	(10)	250	–	9	259	100	(100)	–	–	–	–
	Defence Industrial Reinforcement instrument	343	–	343	–	16	359	79	91	170	1	3	173

EUR million

	Programme	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
	European Defence industry Programme	0	0	0	0	0	0	0	0	0	0	0	0
	Pilot projects and prep. actions	–	–	–	–	–	–	0	(0)	–	–	0	0
	Union Secure Connectivity	96	–	96	–	–	96	110	–	110	–	–	110
	Total Heading 5: Security and Defence	2 321	378	2 699	–	79	2 778	2 035	48	2 084	8	51	2 142
6	Neighbourhood, Developm. and Intl. Cooperation	11 524	(10)	11 514	461	966	12 940	10 764	(1 510)	9 254	71	828	10 153
	Instrument for Nuclear Safety (EINS)	42	–	42	0	21	63	27	6	33	1	21	55
	Humanitarian Aid (HUMA)	1 911	584	2 495	–	26	2 521	1 897	528	2 426	6	26	2 458
	Common Foreign and Security Policy (CFSP)	385	–	385	–	22	406	385	(0)	385	0	12	397
	Overseas Countries and Territories (OCT)	71	–	71	1	35	107	72	(21)	51	8	21	79
	MFA+	5	–	5	–	569	574	5	–	5	–	525	530
	Other actions	81	(2)	79	–	1	80	81	(31)	50	–	1	51
	Pilot projects and prep. actions	–	–	–	–	0	0	–	0	0	–	0	0
	Actions under prerogatives of Commission	95	(0)	95	–	0	95	86	2	88	–	0	88
	Pre-Accession Assistance (IPA III)	2 116	–	2 116	21	143	2 281	1 975	163	2 138	75	192	2 405
	Facility for Western Balkans	–	501	501	–	–	501	–	24	24	–	–	24
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0	0	0	0

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EUR million

	Programme	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
	Total Heading 6: Neighbourhood and the World	16 230	1 073	17 303	483	1 783	19 569	15 291	(838)	14 454	161	1 626	16 241
7	Staff Pensions	2 515	74	2 589	–	280	2 870	2 515	74	2 589	–	280	2 870
	(Pensions former Members) EP	15	0	15	–	–	15	15	0	15	–	–	15
	(Pensions former Members) ECC	1	(0)	1	–	–	1	1	(0)	1	–	–	1
	(Pensions former Members) Commission	10	(1)	9	–	–	9	10	(1)	9	–	–	9
	(Pensions former Members) CJEU	17	(2)	15	–	–	15	17	(2)	15	–	–	15
	(Pensions former Members) ECA	7	(0)	7	–	–	7	7	(0)	7	–	–	7
	(Pensions former Members) Ombudsman	0	(0)	0	–	–	0	0	(0)	0	–	–	0
	(Pensions former Members) EDPS	0	0	0	–	–	0	0	0	0	–	–	0
	European schools	246	–	246	–	29	275	246	–	246	1	29	276
	Remuneration statutory staff	2 898	6	2 903	–	124	3 027	2 898	6	2 903	0	124	3 027
	Remuneration external staff	288	(23)	265	–	120	386	288	(23)	265	32	121	419
	Members - Salaries and allowances	18	0	18	–	0	18	18	0	18	0	0	18
	Members - Temporary allowances	1	–	1	–	–	1	1	–	1	–	–	1
	Recruitment costs	32	(1)	31	–	0	31	32	(1)	31	2	0	33

EUR million

Programme	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
Termination of service	8	(0)	7	–	–	7	8	(0)	7	–	–	7
Training costs	16	1	17	–	7	25	16	1	17	11	7	35
Social and Mobility	21	2	24	–	30	53	21	2	24	11	30	65
Information and comm. technology	281	6	287	–	227	514	281	6	287	171	228	685
Rents and purchases	312	14	326	–	962	1 287	312	14	326	7	962	1 294
Linked to buildings	133	(26)	107	–	43	150	133	(26)	107	63	43	214
Security	64	10	74	–	13	87	64	10	74	38	13	125
Mission and representation	43	11	54	–	3	57	43	11	54	11	3	69
Meetings, committees, conference	19	(4)	15	–	3	17	19	(4)	15	6	3	24
Official journal	7	(4)	3	–	0	3	7	(4)	3	1	0	4
Publications	10	1	12	–	4	16	10	1	12	6	4	22
Acquisition of information	7	(0)	7	–	1	7	7	(0)	7	2	1	9
Studies and investigations	5	1	6	–	0	6	5	1	6	5	0	10
General equipment, vehicle, furniture	15	1	16	–	8	24	15	1	16	12	8	36
Linguistic external services	29	(1)	27	–	51	79	29	(1)	27	2	51	81
Other administrative expenditure	18	1	19	–	26	45	18	1	19	10	26	55
Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenditure of Other Institutions	4 955	1	4 956	1	513	5 470	4 955	1	4 956	613	522	6 091

EUR million

	Programme	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total approp. available	Budget appropriations			Additional appropriations		Total approp. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	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
	Total Heading 7: European Public Administration	11 988	69	12 057	1	2 445	14 502	11 988	69	12 057	1 004	2 456	15 516
O	Innovation Fund (IF)	–	–	–	–	3 886	3 886	–	–	–	–	10 218	10 218
	Ukraine Facility	–	4 768	4 768	–	157	4 924	–	3 755	3 755	–	157	3 912
	Other actions	–	–	–	–	131	131	–	–	–	–	132	132
	Total Heading O: Outside MFF	–	4 768	4 768	–	4 174	8 941	–	3 755	3 755	–	10 506	14 261
S	Solidarity and Emergency Aid (SEAR)	0	0	0	0	0	0	0	0	0	0	0	0
	European Solidarity Reserve	1 351	(207)	1 144	400	–	1 544	1 351	(207)	1 144	400	–	1 544
	Emergency Aid Reserve	–	–	–	–	–	–	–	–	–	–	–	–
	European Globalisation Adjustment (EGF)	209	(176)	34	–	17	51	20	(20)	0	0	17	18
	Brexit Adjustment Reserve	–	–	–	7	297	304	–	–	–	328	458	786
	Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	1 561	(383)	1 178	407	314	1 899	1 371	(227)	1 144	728	475	2 347
	Total	**189 385**	**5 894**	**195 279**	**1 314**	**31 094**	**227 687**	**142 630**	**7 114**	**149 744**	**3 150**	**122 875**	**275 769**

6.8. **DETAILED MFF: IMPLEMENTATION OF COMMITMENT APPROPRIATIONS**

EUR million

	Programme	Total appropr. available	Commitments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1	Horizon Europe	17 451	12 898	95	2 087	15 081	86 %	–	2 370	2 370	0	–	(0)	0
	Euratom	337	280	–	7	287	85 %	–	51	51	0	–	0	0
	Thermonuclear Experimental Reactor (ITER)	440	436	–	1	438	100 %	–	2	2	–	–	–	–
	Other actions	712	–	–	222	222	31 %	–	490	490	–	–	–	–
	Pilot projects and prep. actions	25	24	–	–	24	97 %	–	0	0	1	–	–	1
	InvestEU Fund	2 019	348	–	1 603	1 950	97 %	–	69	69	–	–	0	0
	CEF - Transport	1 806	1 758	–	23	1 780	99 %	–	26	26	–	–	–	–
	CEF - Energy	888	885	–	–	885	100 %	–	3	3	–	–	–	–
	CEF - Digital	91	87	–	1	88	97 %	–	3	3	0	–	–	0
	Digital Europe	1 340	1 264	–	49	1 313	98 %	–	26	26	1	–	0	1
	Decentralised agencies	228	217	–	9	227	99 %	–	1	1	–	–	–	–
	Other actions	171	1	–	69	70	41 %	–	101	101	–	–	0	0
	Pilot projects and prep. actions	14	14	–	–	14	100 %	–	–	–	0	–	–	0
	Actions under prerogatives of Commission	29	24	–	4	28	99 %	–	0	0	–	–	(0)	(0)
	Single Market	651	604	–	22	626	96 %	–	25	25	0	–	0	0
	EU Anti-Fraud	27	24	–	1	25	93 %	0	0	0	1	–	0	1
	Taxation	39	38	–	0	39	98 %	–	1	1	0	–	–	0
	Customs	144	136	–	1	137	95 %	–	7	7	–	–	–	–

EUR million

	Programme	Total appropr. available	Commitments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Decentralised agencies	147	132	–	10	142	97 %	–	5	5	–	–	–	–
	Other actions	7	6	–	0	6	92 %	–	1	1	–	–	–	–
	Pilot projects and prep. actions	12	12	–	–	12	100 %	–	–	–	–	–	–	–
	European Space Programme	2 415	2 088	–	265	2 353	97 %	–	62	62	–	–	(0)	(0)
	Decentralised agencies	83	79	–	3	82	99 %	–	1	1	–	–	–	–
	Pilot projects & preparatory actions	17	17	–	–	17	100 %	–	–	–	–	–	–	–
	Union Secure Connectivity	117	117	–	–	117	100 %	–	–	–	–	–	–	–
	Total Heading 1: Single Market, Innovation and Digital	29 209	21 489	95	4 378	25 962	89 %	0	3 243	3 244	3	–	0	3
2	Regional Development (ERDF) [1]	44 375	38 656	12	4 798	43 466	98 %	–	106	106	775	–	27	803
	Cohesion Fund	7 969	6 600	–	1 095	7 695	97 %	–	0	0	242	–	32	274
	Cohesion Fund contrib. to CEF-Transport	1 618	1 606	–	2	1 608	99 %	–	9	9	–	–	–	–
	Pilot projects and prep. actions	4	4	–	–	4	97 %	–	0	0	–	–	–	–
	European Social Fund Plus (ESF+) [1]	18 736	16 731	–	1 913	18 643	100 %	–	15	15	52	–	25	77
	Support to Turkish-Cypriot Community	42	34	–	7	41	99 %	–	0	0	–	–	(0)	(0)
	European Recovery and Resilience	2 907	123	–	2 230	2 353	81 %	–	554	554	0	–	0	0

EUR million

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	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Pericles IV	1	1	–	0	1	98 %	–	0	0	–	–	–	–
EU Recovery	3 391	3 340	–	2	3 342	99 %	–	49	49	–	–	–	–
RescEU	268	240	0	14	254	95 %	0	13	14	(0)	–	–	(0)
EU4Health	796	753	–	41	795	100 %	–	1	1	0	–	0	0
Emergency support within the Union (ESI)	8	–	–	–	–	–	–	8	8	–	–	–	–
Decentralised agencies	312	263	–	38	301	96 %	–	12	12	0	–	–	0
Pilot projects and prep. actions	–	–	–	–	–	-	–	–	–	–	–	–	–
Actions under prerogatives of Commission	13	12	–	0	13	100 %	–	–	–	–	–	–	–
Employment and Social Innovation	104	93	–	7	101	96 %	–	4	4	0	–	0	0
Erasmus+	4 789	3 796	–	477	4 273	89 %	–	516	516	0	–	–	0
European Solidarity Corps (ESC)	193	144	–	16	160	83 %	–	34	34	–	–	–	–
Creative Europe	356	335	–	15	350	98 %	–	6	6	–	–	0	0
Justice	43	42	–	1	42	99 %	–	0	0	–	–	–	–
Rights and Values	222	219	–	1	220	99 %	–	1	1	0	–	–	0
Decentralised agencies	313	303	–	5	308	99 %	–	5	5	0	–	–	0
Other actions	8	8	–	0	8	100 %	–	–	–	–	–	–	–
Pilot projects and prep. actions	26	26	–	0	26	99 %	–	0	0	–	–	0	0
Actions under prerogatives of Commission	190	183	–	6	189	100 %	–	0	0	0	–	0	0

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EUR million

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			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Total Heading 2: Cohesion, Resilience and Values	86 683	73 513	12	10 668	84 193	97 %	0	1 335	1 335	1 070	–	85	1 155
3	Agricultural Guarantees	41 745	40 465	–	345	40 810	98 %	366	567	933	2	–	–	2
	Other progr. of Natural Resources and Environment	0	0	0	0	0	-	0	0	0	0	0	0	0
	Agricultural Fund for Rural Development	13 576	13 155	–	1	13 156	97 %	–	189	189	0	–	230	231
	Maritime and Fisheries	1 224	1 070	–	127	1 196	98 %	–	23	23	0	–	4	4
	Fisheries (SFPA and RFMO)	130	130	–	–	130	100 %	–	–	–	0	–	–	0
	Decentralised agencies	32	30	–	1	31	96 %	–	1	1	–	–	–	–
	Other actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Pilot projects and prep. actions	9	8	–	–	8	99 %	–	–	–	0	–	–	0
	Environment and Climate (LIFE)	773	768	–	4	771	100 %	–	2	2	0	–	0	0
	Just Transition Fund	1 736	1 479	–	160	1 640	94 %	–	86	86	11	–	0	11
	Loan facility under Just Transition Mechanism	554	50	–	76	126	23 %	–	428	428	–	–	–	–
	Decentralised agencies	74	66	–	8	73	99 %	–	0	0	–	–	0	0
	Pilot projects and prep. actions	6	6	–	–	6	100 %	–	–	–	–	–	–	–
	Specific actions	16	16	–	–	16	100 %	–	–	–	0	–	–	0
	Total Heading 3: Natural Resources and Environment	59 874	57 243	–	721	57 964	97 %	366	1 296	1 663	13	–	234	247

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		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
4	Asylum, Migration and Integration	1 513	1 502	–	6	1 508	100 %	–	5	5	1	–	0	1
	Decentralised agencies	170	152	–	13	165	97 %	–	6	6	–	–	0	0
	Pilot projects and prep. actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Border Mngmt. (IBMF) - Border mngmt and visa	1 186	1 004	–	53	1 057	89 %	–	129	129	1	–	–	1
	Border Mngmt. (IBMF) - Customs equipment	144	144	–	–	144	100 %	–	0	0	–	–	–	–
	Decentralised agencies	1 218	1 090	–	76	1 166	96 %	–	52	52	–	–	–	–
	Total Heading 4: Migration and Border Management	4 232	3 892	–	147	4 039	95 %	–	191	191	1	–	0	1
5	Internal Security Fund (ISF)	325	323	–	1	324	99 %	–	2	2	0	–	–	0
	Nuclear decommissioning	67	67	–	–	67	100 %	–	–	–	–	–	–	–
	Nuclear Safety and decommissioning	61	60	–	0	61	100 %	–	0	0	0	–	0	0
	Decentralised agencies	269	252	–	11	263	98 %	–	6	6	0	–	0	0
	Pilot projects and prep. actions	–	–	–	–	–	-	–	–	–	–	–	–	–
	Actions under prerogatives of Commission	32	32	–	–	32	100 %	–	0	0	0	–	–	0
	European Defence (Research)	355	344	–	12	355	100 %	–	–	–	–	–	–	–
	European Defence (Non Research)	703	680	–	23	703	100 %	–	–	–	–	–	–	–

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		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
	Military Mobility	251	251	–	–	251	100 %	–	–	–	–	–	–	–
	Defence instrument on common procurement	259	250	–	9	259	100 %	–	–	–	–	–	–	–
	Defence Industrial Reinforcement instrument	359	343	–	16	359	100 %	–	–	–	–	–	–	–
	European Defence industry Programme	0	0	0	0	0	-	0	0	0	0	0	0	0
	Pilot projects and prep. actions	–	–	–	–	–	-	–	–	–	–	–	–	–
	Union Secure Connectivity	96	96	–	–	96	100 %	–	–	–	–	–	–	–
	Total Heading 5: Security and Defence	2 778	2 699	–	71	2 770	100 %	–	8	8	0	–	0	0
6	Neighbourhood, Developm. and Intl. Cooperation	12 940	11 032	400	525	11 956	92 %	482	441	923	(0)	61	0	61
	Instrument for Nuclear Safety (EINS)	63	42	0	1	43	68 %	0	20	20	0	0	–	0
	Humanitarian Aid (HUMA)	2 521	2 495	–	17	2 512	100 %	–	9	9	0	–	0	0
	Common Foreign and Security Policy (CFSP)	406	385	–	21	406	100 %	–	0	0	0	–	(0)	0
	Overseas Countries and Territories (OCT)	107	71	1	–	72	67 %	1	35	36	(0)	0	–	0
	MFA+	574	5	–	569	574	100 %	–	–	–	–	–	–	–
	Other actions	80	79	–	0	80	99 %	–	0	0	0	–	–	0
	Pilot projects and prep. actions	0	–	–	–	–	–	–	0	0	–	–	0	0

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EUR million

	Programme	Total appropr. available	Commitments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Actions under prerogatives of Commission	95	95	–	0	95	100 %	–	0	0	0	–	–	0
	Pre-Accession Assistance (IPA III)	2 281	2 043	20	83	2 146	94 %	73	60	133	–	1	(0)	1
	Facility for Western Balkans	501	400	–	–	400	80 %	101	–	101	–	–	–	–
	Pilot projects and prep. actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Total Heading 6: Neighbourhood and the World	19 569	16 646	421	1 217	18 283	93 %	657	566	1 224	0	62	0	62
7	Staff Pensions	2 870	2 589	–	273	2 862	100 %	–	7	7	–	–	0	0
	(Pensions former Members) EP	15	15	–	–	15	100 %	–	–	–	–	–	–	–
	(Pensions former Members) ECC	1	1	–	–	1	100 %	–	–	–	–	–	–	–
	(Pensions former Members) Commission	9	9	–	–	9	100 %	–	–	–	–	–	–	–
	(Pensions former Members) CJEU	15	15	–	–	15	100 %	–	–	–	–	–	–	–
	(Pensions former Members) ECA	7	7	–	–	7	100 %	–	–	–	–	–	–	–
	(Pensions former Members) Ombudsman	0	0	–	–	0	100 %	–	–	–	–	–	–	–
	(Pensions former Members) EDPS	0	0	–	–	0	100 %	–	–	–	–	–	–	–
	European schools	275	246	–	23	269	98 %	–	6	6	0	–	–	0

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Remuneration statutory staff	3 027	2 897	–	60	2 957	98 %	–	64	64	6	–	–	6
Remuneration external staff	386	265	–	45	310	80 %	–	75	75	0	–	0	0
Members - Salaries and allowances	18	17	–	0	17	95 %	–	0	0	1	–	–	1
Members - Temporary allowances	1	1	–	–	1	100 %	–	–	–	–	–	–	–
Recruitment costs	31	30	–	0	31	98 %	–	0	0	0	–	–	0
Termination of service	7	7	–	–	7	100 %	–	–	–	–	–	–	–
Training costs	25	17	–	4	22	88 %	–	3	3	0	–	0	0
Social and Mobility	53	23	–	15	38	72 %	–	15	15	0	–	0	0
Information and comm. technology	514	287	–	134	420	82 %	–	93	93	0	–	0	0
Rents and purchases	1 287	326	–	314	639	50 %	–	648	648	0	–	–	0
Linked to buildings	150	107	–	22	129	86 %	–	21	21	0	–	–	0
Security	87	74	–	9	83	96 %	–	3	3	0	–	0	0
Mission and representation	57	54	–	2	55	97 %	–	2	2	0	–	0	0
Meetings, committees, conference	17	15	–	1	16	92 %	–	1	1	0	–	0	0
Official journal	3	3	–	0	3	100 %	–	0	0	–	–	–	–
Publications	16	12	–	3	14	90 %	–	2	2	0	–	–	0
Acquisition of information	7	7	–	0	7	94 %	–	0	0	0	–	–	0

EUR million

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			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Studies and investigations	6	6	–	0	6	99 %	–	0	0	0	–	–	0
	General equipment, vehicle, furniture	24	16	–	6	23	94 %	–	1	1	0	–	0	0
	Linguistic external services	79	27	–	36	63	80 %	–	16	16	–	–	0	0
	Other administrative expenditure	45	19	–	21	41	89 %	–	5	5	0	–	0	0
	Pilot projects and prep. actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Administrative expenditure of Other Institutions	5 470	4 911	1	379	5 291	97 %	0	134	134	45	–	0	45
	Total Heading 7: European Public Administration	14 502	12 003	1	1 348	13 351	92 %	–	1 097	1 097	54	–	0	54
O	Innovation Fund (IF)	3 886	–	–	603	603	16 %	–	3 283	3 283	–	–	–	–
	Ukraine Facility	4 924	4 737	–	150	4 887	99 %	30	7	37	0	–	0	0
	Other actions	131	–	–	62	62	48 %	–	68	68	–	–	–	–
	Total Heading O: Outside MFF	8 941	4 737	–	815	5 552	62 %	30	3 359	3 389	0	–	0	0
S	Solidarity and Emergency Aid (SEAR)	0	0	0	0	0	-	0	0	0	0	0	0	0
	European Solidarity Reserve	1 544	834	400	–	1 234	80 %	310	–	310	–	–	–	–
	Emergency Aid Reserve	–	–	–	–	–	-	–	–	–	–	–	–	–
	European Globalisation Adjustment (EGF)	51	8	–	–	8	16 %	–	7	7	25	–	10	35

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	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Brexit Adjustment Reserve	304	–	7	297	304	100 %	–	–	–	–	–	–	–
Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	1 899	842	407	297	1 546	81 %	310	7	318	25	–	10	35
Total	**227 687**	**193 064**	**937**	**19 661**	**213 661**	**94 %**	**1 365**	**11 103**	**12 468**	**1 166**	**62**	**330**	**1 558**

6.9. DETAILED MFF: IMPLEMENTATION OF PAYMENT APPROPRIATIONS

EUR million

	Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1	Horizon Europe	19 199	11 956	59	1 789	13 803	72 %	72	5 314	5 386	0	8	2	10
	Euratom	494	354	14	36	405	82 %	18	71	89	0	1	–	1
	Thermonuclear Experimental Reactor (ITER)	568	561	1	1	563	99 %	2	2	4	(0)	0	–	0
	Other actions	446	–	–	86	86	19 %	–	361	361	–	–	–	–
	Pilot projects and prep. actions	22	21	–	–	21	94 %	–	0	0	1	–	–	1

EUR million

Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
InvestEU Fund	3 203	253	1	2 836	3 090	96 %	1	109	109	4	0	0	4
CEF - Transport	2 112	2 069	1	37	2 107	100 %	1	4	5	0	0	–	0
CEF - Energy	784	780	2	–	782	100 %	1	2	3	0	0	–	0
CEF - Digital	145	140	1	2	143	98 %	0	2	3	0	0	–	0
Digital Europe	1 112	1 027	7	41	1 075	97 %	6	29	35	1	0	0	2
Decentralised agencies	231	220	–	9	230	99 %	–	1	1	0	–	–	0
Other actions	171	1	–	10	11	6 %	–	161	161	0	–	–	0
Pilot projects and prep. actions	20	20	–	–	20	100 %	–	–	–	0	–	–	0
Actions under prerogatives of Commission	28	22	–	4	27	97 %	–	1	1	0	–	0	0
Single Market	657	573	8	22	603	92 %	7	46	53	0	1	0	1
EU Anti-Fraud	22	20	–	0	20	90 %	–	0	0	2	–	0	2
Taxation	36	35	0	0	35	97 %	0	1	1	0	0	–	0
Customs	141	132	0	1	133	95 %	0	7	7	0	0	–	0
Decentralised agencies	147	132	–	10	141	96 %	–	5	5	0	–	–	0
Other actions	8	8	–	0	8	96 %	–	0	0	–	–	–	–
Pilot projects and prep. actions	7	7	–	–	7	96 %	–	–	–	0	–	–	0
European Space Programme	2 673	2 175	5	101	2 280	85 %	4	388	392	0	0	0	0

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EUR million

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			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Decentralised agencies	86	82	–	3	85	99 %	–	1	1	–	–	–	–
	Pilot projects & preparatory actions	–	–	–	–	–	-	–	–	–	–	–	–	–
	Union Secure Connectivity	190	190	–	–	190	100 %	0	–	0	–	0	–	0
	Total Heading 1: Single Market, Innovation and Digital	32 504	20 778	98	4 988	25 864	80 %	113	6 504	6 617	9	11	3	23
2	Regional Development (ERDF) ([1])	30 528	15 903	0	13 357	29 261	96 %	1	1 266	1 267	0	0	–	0
	Cohesion Fund	4 088	2 272	0	1 815	4 087	100 %	0	0	1	(0)	0	0	0
	Cohesion Fund contrib. to CEF-Transport	2 248	2 238	–	8	2 246	100 %	–	3	3	0	–	(0)	0
	Pilot projects and prep. actions	3	3	–	–	3	97 %	–	0	0	–	–	–	–
	European Social Fund Plus (ESF+) ([1])	17 574	6 074	0	10 278	16 352	93 %	1	1 221	1 221	0	0	0	1
	Support to Turkish-Cypriot Community	44	37	0	7	44	99 %	0	–	0	0	0	–	0
	European Recovery and Resilience	55 342	98	2	55 189	55 288	100 %	2	52	54	0	0	0	0
	Pericles IV	1	1	0	0	1	95 %	–	0	0	0	–	–	0
	EU Recovery	4 042	1 477	651	1	2 128	53 %	1 863	51	1 914	–	0	–	0
	RescEU	862	260	125	372	757	88 %	–	105	105	–	–	0	0

EUR million

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	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
EU4Health	580	540	4	29	573	99 %	4	2	5	0	1	0	1
Emergency support within the Union (ESI)	36	–	–	9	9	24 %	–	27	27	–	–	1	1
Decentralised agencies	305	256	–	38	294	96 %	–	12	12	0	–	–	0
Pilot projects and prep. actions	–	–	–	–	–	-	–	–	–	–	–	–	–
Actions under prerogatives of Commission	12	12	–	0	12	100 %	–	–	–	0	–	–	0
Employment and Social Innovation	95	81	1	5	87	92 %	1	6	8	0	0	0	0
Erasmus+	4 631	3 547	16	478	4 041	87 %	18	572	590	(0)	0	0	1
European Solidarity Corps (ESC)	192	128	5	18	151	78 %	3	38	42	(0)	0	0	0
Creative Europe	428	396	4	17	417	97 %	2	9	11	0	0	0	0
Justice	50	47	1	1	49	98 %	1	0	1	0	0	–	0
Rights and Values	201	196	1	1	199	99 %	1	1	2	0	0	–	0
Decentralised agencies	308	299	–	5	304	98 %	–	5	5	0	–	0	0
Other actions	9	9	–	0	9	100 %	–	–	–	0	–	–	0
Pilot projects and prep. actions	31	30	–	0	31	99 %	–	0	0	0	–	–	0
Actions under prerogatives of Commission	185	178	–	6	184	99 %	–	1	1	0	–	–	0

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EUR million

	Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Total Heading 2: Cohesion, Resilience and Values	121 796	34 082	811	81 633	116 525	96 %	1 898	3 368	5 266	0	2	2	5
3	Agricultural Guarantees	41 702	40 416	0	345	40 762	98 %	367	567	934	6	0	–	6
	Other progr. of Natural Resources and Environment	0	0	0	0	0	-	0	0	0	0	0	0	0
	Agricultural Fund for Rural Development	16 478	13 765	0	1 704	15 469	94 %	0	1 008	1 008	0	0	–	1
	Maritime and Fisheries	1 155	978	1	173	1 152	100 %	1	2	3	0	0	0	0
	Fisheries (SFPA and RFMO)	114	114	–	–	114	100 %	–	–	–	–	–	–	–
	Decentralised agencies	32	30	–	1	31	96 %	–	1	1	–	–	–	–
	Other actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Pilot projects and prep. actions	3	3	–	–	3	100 %	–	–	–	0	–	–	0
	Environment and Climate (LIFE)	612	592	7	3	603	99 %	8	1	8	0	0	0	1
	Just Transition Fund	6 470	5	–	6 145	6 150	95 %	–	320	320	–	–	0	0
	Loan facility under Just Transition Mechanism	582	60	–	19	79	14 %	–	503	503	–	–	–	–

EUR million

	Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Decentralised agencies	74	66	–	8	73	99 %	–	0	0	–	–	0	0
	Pilot projects and prep. actions	9	9	–	–	9	99 %	–	–	–	0	–	–	0
	Specific actions	4	4	–	–	4	100 %	–	–	–	–	–	–	–
	Total Heading 3: Natural Resources and Environment	67 233	56 043	8	8 398	64 448	96 %	376	2 401	2 777	7	0	0	8
4	Asylum, Migration and Integration	1 372	1 357	1	8	1 366	100 %	2	3	5	1	0	–	1
	Decentralised agencies	170	152	–	13	165	97 %	–	6	6	–	–	0	0
	Pilot projects and prep. actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Border Mngmt. (IBMF) - Border mngmt and visa	873	563	1	75	639	73 %	1	231	233	1	0	–	1
	Border Mngmt. (IBMF) - Customs equipment	141	117	0	0	117	83 %	24	–	24	–	0	–	0
	Decentralised agencies	1 171	1 043	–	76	1 119	96 %	–	52	52	–	–	–	–
	Total Heading 4: Migration and Border Management	3 727	3 231	2	171	3 405	91 %	28	292	320	2	0	0	2

EUR million

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			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
5	Internal Security Fund (ISF)	215	209	1	1	211	99 %	1	2	3	0	0	–	0
	Nuclear decommissioning	142	142	–	–	142	100 %	–	–	–	0	–	–	0
	Nuclear Safety and decommissioning	79	75	1	0	76	97 %	2	–	2	1	0	0	1
	Decentralised agencies	266	247	–	11	257	97 %	–	6	6	2	–	0	2
	Pilot projects and prep. actions	1	–	–	–	–	–	–	–	–	1	–	–	1
	Actions under prerogatives of Commission	36	35	–	–	35	98 %	–	0	0	1	–	–	1
	European Defence (Research)	215	205	1	7	214	99 %	1	–	1	0	0	–	0
	European Defence (Non Research)	570	545	2	21	568	100 %	2	–	2	(0)	0	0	0
	Military Mobility	335	335	1	–	335	100 %	0	–	0	0	0	–	0
	Defence instrument on common procurement	–	–	–	–	–	-	–	–	–	–	–	–	–
	Defence Industrial Reinforcement instrument	173	170	1	3	173	100 %	–	–	–	–	0	0	0
	European Defence industry Programme	0	0	0	0	0	-	0	0	0	0	0	0	0
	Pilot projects and prep. actions	0	–	–	–	–	–	–	–	–	–	–	0	0

EUR million

	Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Union Secure Connectivity	110	110	–	–	110	100 %	–	–	–	–	–	–	–
	Total Heading 5: Security and Defence	2 142	2 073	7	42	2 123	99 %	6	8	14	5	1	0	5
6	Neighbourhood, Developm. and Intl. Cooperation	10 153	9 192	64	346	9 603	95 %	62	482	544	0	7	0	7
	Instrument for Nuclear Safety (EINS)	55	33	1	8	41	75 %	1	13	13	0	0	–	0
	Humanitarian Aid (HUMA)	2 458	2 419	6	17	2 442	99 %	6	9	16	0	0	–	1
	Common Foreign and Security Policy (CFSP)	397	383	0	9	393	99 %	1	3	4	0	0	–	0
	Overseas Countries and Territories (OCT)	79	47	8	–	55	69 %	4	21	25	(0)	0	–	0
	MFA+	530	5	–	416	421	79 %	–	109	109	–	–	–	–
	Other actions	51	50	–	0	51	99 %	–	0	0	0	–	–	0
	Pilot projects and prep. actions	0	0	–	–	0	37 %	–	0	0	–	–	0	0
	Actions under prerogatives of Commission	88	88	–	0	88	100 %	–	0	0	0	–	–	0
	Pre-Accession Assistance (IPA III)	2 405	2 128	74	100	2 301	96 %	10	92	102	0	2	–	2
	Facility for Western Balkans	24	1	–	–	1	3 %	23	–	23	–	–	–	–

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EUR million

	Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	Pilot projects and prep. actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Total Heading 6: Neighbourhood and the World	16 241	14 346	153	897	15 395	95 %	107	729	836	1	9	0	10
7	Staff Pensions	2 870	2 589	–	273	2 862	100 %	–	7	7	–	–	0	0
	(Pensions former Members) EP	15	15	–	–	15	100 %	–	–	–	–	–	–	–
	(Pensions former Members) ECC	1	1	–	–	1	100 %	–	–	–	–	–	–	–
	(Pensions former Members) Commission	9	9	–	–	9	100 %	–	–	–	–	–	–	–
	(Pensions former Members) CJEU	15	15	–	–	15	100 %	–	–	–	–	–	–	–
	(Pensions former Members) ECA	7	7	–	–	7	100 %	–	–	–	–	–	–	–
	(Pensions former Members) Ombudsman	0	0	–	–	0	100 %	–	–	–	–	–	–	–
	(Pensions former Members) EDPS	0	0	–	–	0	100 %	–	–	–	–	–	–	–
	European schools	276	246	1	20	266	96 %	0	10	10	0	–	–	0
	Remuneration statutory staff	3 027	2 897	0	60	2 957	98 %	0	64	64	6	0	–	6
	Remuneration external staff	419	243	29	44	316	75 %	22	77	98	0	4	0	4

EUR million

Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Members - Salaries and allowances	18	16	0	0	16	89 %	1	0	1	1	0	–	1
Members - Temporary allowances	1	0	–	–	0	30 %	0	–	0	–	–	–	–
Recruitment costs	33	27	1	0	29	87 %	3	0	4	0	0	–	1
Termination of service	7	7	–	–	7	99 %	0	–	0	–	–	–	–
Training costs	35	8	10	2	20	56 %	10	5	15	0	1	0	1
Social and Mobility	65	16	9	11	36	56 %	7	20	27	0	1	0	1
Information and comm. technology	685	167	170	89	425	62 %	120	139	259	0	1	0	1
Rents and purchases	1 294	295	7	313	615	48 %	30	649	679	0	0	–	0
Linked to buildings	214	63	58	17	138	65 %	44	26	70	0	5	–	5
Security	125	49	36	2	87	70 %	25	10	35	0	3	0	3
Mission and representation	69	44	8	2	54	78 %	10	2	12	0	3	0	3
Meetings, committees, conference	24	10	3	1	14	58 %	5	2	7	0	3	0	3
Official journal	4	2	1	–	2	66 %	1	0	1	–	0	–	0
Publications	22	6	6	1	14	63 %	5	3	8	0	0	–	0
Acquisition of information	9	5	2	0	7	74 %	2	0	2	0	0	–	0
Studies and investigations	10	1	5	–	5	52 %	5	0	5	0	0	0	0

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EUR million

	Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
	General equipment, vehicle, furniture	36	7	12	5	24	66 %	9	3	12	0	0	0	0
	Linguistic external services	81	26	2	35	63	78 %	2	16	18	–	0	0	0
	Other administrative expenditure	55	14	9	14	38	69 %	5	12	17	0	1	0	1
	Pilot projects and prep. actions	0	0	0	0	0	-	0	0	0	0	0	0	0
	Administrative expenditure of Other Institutions	6 091	4 329	557	338	5 224	86 %	582	183	766	45	55	1	100
	Total Heading 7: European Public Administration	15 516	11 114	926	1 226	13 266	85 %	889	1 229	2 118	54	78	1	133
O	Innovation Fund (IF)	10 218	–	–	292	292	3 %	–	9 926	9 926	–	–	–	–
	Ukraine Facility	3 912	3 634	–	3	3 637	93 %	121	153	274	(0)	–	–	(0)
	Other actions	132	–	–	57	57	44 %	–	74	74	–	–	–	–
	Total Heading O: Outside MFF	14 261	3 634	–	353	3 987	28 %	121	10 154	10 274	(0)	–	–	(0)
S	Solidarity and Emergency Aid (SEAR)	0	0	0	0	0	-	0	0	0	0	0	0	0
	European Solidarity Reserve	1 544	834	400	–	1 234	80 %	310	–	310	–	–	–	–
	Emergency Aid Reserve	–	–	–	–	–	-	–	–	–	–	–	–	–

EUR million

Programme	Total appropr. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budge	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
European Globalisation Adjustment (EGF)	18	0	0	8	8	47 %	0	7	7	0	0	2	2
Brexit Adjustment Reserve	786	–	275	458	733	93 %	–	–	–	–	53	–	53
Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	2 347	834	675	466	1 975	84 %	310	7	318	0	53	2	55
Total	**275 769**	**146 134**	**2 680**	**98 175**	**246 988**	**90 %**	**3 848**	**24 692**	**28 540**	**78**	**154**	**8**	**240**

6.10. **DETAILED MFF: MOVEMENTS IN OUTSTANDING COMMITMENTS (RAL)**

EUR million

	Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
1	Horizon Europe	27 939	(566)	(9 905)	17 468	15 081	(3 898)	(5)	11 178	28 646
	Euratom	357	(5)	(249)	103	287	(156)	–	131	234
	Thermonuclear Experimental Reactor (ITER)	1 576	(0)	(484)	1 093	438	(80)	(1)	356	1 449
	Other actions	135	(8)	(55)	72	222	(30)	–	191	263
	Pilot projects and prep. actions	48	(1)	(16)	31	24	(4)	–	20	50

EUR million

Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
	Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
	1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
InvestEU Fund	5 834	(31)	(1 474)	4 329	1 950	(1 616)	–	334	4 663
CEF - Transport	6 503	(88)	(2 093)	4 322	1 780	(13)	–	1 767	6 089
CEF - Energy	3 873	(42)	(778)	3 053	885	(4)	–	881	3 934
CEF - Digital	650	(39)	(137)	474	88	(6)	–	83	556
Digital Europe	2 116	(3)	(830)	1 283	1 313	(245)	(0)	1 068	2 351
Decentralised agencies	39	–	(39)	–	227	(191)	–	36	36
Other actions	2	(0)	(1)	1	70	(10)	–	60	61
Pilot projects and prep. actions	34	(2)	(10)	22	14	(10)	–	4	26
Actions under prerogatives of Commission	36	(1)	(21)	13	28	(6)	–	23	36
Single Market	949	(58)	(461)	430	626	(141)	(0)	484	914
EU Anti-Fraud	29	(0)	(11)	18	25	(9)	–	16	34
Taxation	42	(1)	(26)	14	39	(9)	–	30	44
Customs	146	(2)	(97)	47	137	(36)	–	101	148
Decentralised agencies	0	(0)	–	–	142	(141)	–	0	0
Other actions	7	(0)	(7)	0	6	(1)	–	5	5
Pilot projects and prep. actions	21	(1)	(6)	14	12	(1)	–	11	25
European Space Programme	1 413	(4)	(953)	457	2 353	(1 327)	–	1 026	1 483
Decentralised agencies	20	–	(20)	–	82	(65)	–	17	17
Pilot projects & preparatory actions	–	–	–	–	17	–	–	17	17
Union Secure Connectivity	156	(0)	(156)	–	117	(34)	–	83	83

EUR million

	Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
	Total Heading 1: Single Market, Innovation and Digital	51 926	(853)	(17 829)	33 244	25 962	(8 035)	(7)	17 920	51 164
2	Regional Development (ERDF) ([1])	91 069	(86)	(27 087)	63 896	43 466	(2 173)	(1)	41 292	105 188
	Cohesion Fund	12 460	(19)	(3 288)	9 153	7 695	(799)	(0)	6 896	16 048
	Cohesion Fund contrib. to CEF-Transport	6 080	(40)	(2 234)	3 806	1 608	(12)	–	1 596	5 402
	Pilot projects and prep. actions	3	(0)	(1)	2	4	(2)	–	1	4
	European Social Fund Plus (ESF+) ([1])	45 251	(15)	(15 798)	29 438	18 643	(554)	(0)	18 090	47 528
	Support to Turkish-Cypriot Community	100	(3)	(39)	59	41	(5)	(0)	36	95
	European Recovery and Resilience	214 518	(13)	(51 488)	163 017	2 353	(3 800)	–	(1 447)	161 570
	Pericles IV	1	(0)	(0)	0	1	(1)	–	0	0
	EU Recovery	651	(0)	(651)	–	3 342	(1 477)	–	1 865	1 865
	RescEU	1 707	(11)	(659)	1 036	254	(97)	(0)	157	1 193
	EU4Health	1 301	(15)	(403)	883	795	(171)	–	624	1 507
	Emergency support within the Union (ESI)	40	(3)	(9)	28	–	–	–	–	28
	Decentralised agencies	43	(0)	(12)	31	301	(282)	–	19	50
	Pilot projects and prep. actions	0	–	–	0	–	–	–	–	0
	Actions under prerogatives of Commission	10	(1)	(8)	1	13	(4)	–	9	10
	Employment and Social Innovation	184	(12)	(65)	107	101	(23)	–	78	185

EUR million

	Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
	Erasmus+	2 083	(64)	(661)	1 358	4 273	(3 380)	–	893	2 251
	European Solidarity Corps (ESC)	166	(27)	(42)	97	160	(108)	–	52	149
	Creative Europe	427	(6)	(220)	201	350	(197)	–	153	354
	Justice	67	(7)	(24)	36	42	(25)	–	18	53
	Rights and Values	272	(5)	(119)	147	220	(80)	–	140	288
	Decentralised agencies	49	(0)	(7)	41	308	(296)	–	12	53
	Other actions	16	(2)	(9)	5	8	(1)	–	7	13
	Pilot projects and prep. actions	65	(2)	(31)	32	26	–	–	26	58
	Actions under prerogatives of Commission	195	(4)	(122)	69	189	(61)	–	128	197
	Total Heading 2: Cohesion, Resilience and Values	376 757	(336)	(102 977)	273 444	84 193	(13 548)	(1)	70 644	344 088
3	Agricultural Guarantees	358	(35)	(102)	221	40 810	(40 660)	–	150	371
	Other progr. of Natural Resources and Environment	0	0	0	0	0	0	0	0	0
	Agricultural Fund for Rural Development	37 891	(61)	(15 431)	22 399	13 156	(38)	(0)	13 118	35 517
	Maritime and Fisheries	3 299	(2)	(1 092)	2 204	1 196	(59)	(0)	1 137	3 341
	Fisheries (SFPA and RFMO)	23	(1)	(14)	8	130	(100)	–	30	38
	Decentralised agencies	–	–	–	–	31	(31)	–	–	–
	Other actions	0	0	0	0	0	0	0	0	0
	Pilot projects and prep. actions	4	(0)	(2)	2	8	(1)	–	8	10
	Environment and Climate (LIFE)	2 547	(25)	(565)	1 957	771	(37)	–	734	2 691

EUR million

	Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
	Just Transition Fund	13 276	(0)	(6 149)	7 127	1 640	(1)	–	1 638	8 765
	Loan facility under Just Transition Mechanism	57	–	(36)	21	126	(43)	–	83	104
	Decentralised agencies	–	–	–	–	73	(73)	–	–	–
	Pilot projects and prep. actions	18	(0)	(9)	9	6	–	–	6	15
	Specific actions	4	(0)	(1)	3	16	(3)	–	13	16
	Total Heading 3: Natural Resources and Environment	57 477	(125)	(23 401)	33 950	57 964	(41 048)	(0)	16 916	50 867
4	Asylum, Migration and Integration	2 720	(0)	(1 291)	1 428	1 508	(74)	(0)	1 433	2 862
	Decentralised agencies	13	–	–	13	165	(165)	–	–	13
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0
	Border Mngmt. (IBMF) - Border mngmt and visa	1 798	(0)	(585)	1 213	1 057	(54)	(0)	1 002	2 215
	Border Mngmt. (IBMF) - Customs equipment	278	(0)	(71)	207	144	(46)	–	98	305
	Decentralised agencies	312	–	(182)	130	1 166	(937)	–	230	359
	Total Heading 4: Migration and Border Management	5 121	(1)	(2 129)	2 991	4 039	(1 276)	(0)	2 763	5 754
5	Internal Security Fund (ISF)	524	(0)	(205)	319	324	(6)	(0)	317	636
	Nuclear decommissioning	405	(0)	(142)	263	67	(0)	–	67	331
	Nuclear Safety and decommissioning	312	(1)	(66)	246	61	(10)	–	50	296
	Decentralised agencies	–	–	–	–	263	(257)	–	6	6
	Pilot projects and prep. actions	1	–	–	1	–	–	–	–	1

EUR million

	Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
	Actions under prerogatives of Commission	26	(2)	(16)	8	32	(19)	–	13	22
	European Defence (Research)	646	(0)	(198)	448	355	(16)	(0)	339	788
	European Defence (Non Research)	1 323	(0)	(454)	869	703	(114)	–	589	1 458
	Military Mobility	376	(1)	(218)	157	251	(117)	–	134	291
	Defence instrument on common procurement	–	–	–	–	259	–	–	259	259
	Defence Industrial Reinforcement instrument	157	(0)	(49)	107	359	(124)	–	235	343
	European Defence industry Programme	0	0	0	0	0	0	0	0	0
	Pilot projects and prep. actions	0	–	–	0	–	–	–	–	0
	Union Secure Connectivity	30	–	(30)	–	96	(80)	–	16	16
	Total Heading 5: Security and Defence	3 803	(4)	(1 378)	2 420	2 770	(744)	(0)	2 025	4 445
6	Neighbourhood, Developm. and Intl. Cooperation	30 682	(639)	(7 791)	22 252	11 956	(1 811)	(0)	10 145	32 397
	Instrument for Nuclear Safety (EINS)	140	(5)	(33)	102	43	(8)	–	34	137
	Humanitarian Aid (HUMA)	1 063	(6)	(557)	500	2 512	(1 885)	(0)	627	1 127
	Common Foreign and Security Policy (CFSP)	108	(25)	(40)	43	406	(352)	–	54	96
	Overseas Countries and Territories (OCT)	129	(0)	(27)	102	72	(27)	–	44	147
	MFA+	–	–	–	–	574	(421)	–	153	153

EUR million

	Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
	Other actions	28	(0)	(28)	0	80	(23)	–	57	57
	Pilot projects and prep. actions	0	(0)	(0)	0	–	–	–	–	0
	Actions under prerogatives of Commission	153	(9)	(57)	87	95	(31)	–	64	151
	Pre-Accession Assistance (IPA III)	7 684	(95)	(1 899)	5 689	2 146	(402)	–	1 744	7 434
	Facility for Western Balkans	–	–	–	–	400	(1)	–	399	399
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0
	Total Heading 6: Neighbourhood and the World	39 987	(779)	(10 433)	28 776	18 283	(4 962)	(0)	13 321	42 097
7	Staff Pensions	–	–	–	–	2 862	(2 862)	–	–	–
	(Pensions former Members) EP	–	–	–	–	15	(15)	–	–	–
	(Pensions former Members) ECC	–	–	–	–	1	(1)	–	–	–
	(Pensions former Members) Commission	–	–	–	–	9	(9)	–	–	–
	(Pensions former Members) CJEU	–	–	–	–	15	(15)	–	–	–
	(Pensions former Members) ECA	–	–	–	–	7	(7)	–	–	–
	(Pensions former Members) Ombudsman	–	–	–	–	0	(0)	–	–	–
	(Pensions former Members) EDPS	–	–	–	–	0	(0)	–	–	–
	European schools	1	–	(1)	–	269	(265)	–	4	4

EUR million

Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
	Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
	1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
Remuneration statutory staff	0	(0)	(0)	–	2 957	(2 957)	(0)	0	0
Remuneration external staff	33	(4)	(29)	0	310	(287)	(0)	23	23
Members - Salaries and allowances	0	(0)	(0)	–	17	(16)	–	1	1
Members - Temporary allowances	–	–	–	–	1	(0)	(0)	–	–
Recruitment costs	2	(0)	(1)	–	31	(27)	–	3	3
Termination of service	–	–	–	–	7	(7)	(0)	–	–
Training costs	11	(1)	(10)	–	22	(10)	–	12	12
Social and Mobility	13	(3)	(10)	0	38	(26)	–	12	12
Information and comm. technology	172	(1)	(171)	–	420	(255)	–	166	166
Rents and purchases	7	(0)	(7)	–	639	(608)	–	31	31
Linked to buildings	63	(5)	(58)	–	129	(80)	–	49	49
Security	38	(3)	(36)	–	83	(51)	–	32	32
Mission and representation	11	(3)	(8)	–	55	(45)	–	10	10
Meetings, committees, conference	7	(3)	(3)	–	16	(10)	–	6	6
Official journal	1	(0)	(1)	–	3	(2)	–	1	1
Publications	6	(0)	(6)	–	14	(8)	–	7	7
Acquisition of information	2	(0)	(2)	–	7	(5)	–	2	2
Studies and investigations	5	(0)	(5)	–	6	(1)	–	5	5

EUR million

	Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
		Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
		1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
	General equipment, vehicle, furniture	12	(0)	(12)	–	23	(12)	–	11	11
	Linguistic external services	2	(0)	(2)	–	63	(61)	–	2	2
	Other administrative expenditure	10	(1)	(9)	–	41	(29)	–	12	12
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0
	Administrative expenditure of Other Institutions	608	(51)	(557)	–	5 291	(4 668)	(1)	623	623
	Total Heading 7: European Public Administration	1 004	(76)	(927)	0	13 351	(12 339)	(2)	1 011	1 011
O	Innovation Fund (IF)	6 443	(111)	(261)	6 071	603	(31)	–	572	6 643
	Ukraine Facility	–	–	–	–	4 887	(3 637)	(0)	1 250	1 250
	Other actions	4	(3)	(0)	1	62	(57)	–	5	6
	Total Heading O: Outside MFF	6 447	(114)	(261)	6 072	5 552	(3 726)	(0)	1 827	7 899
S	Solidarity and Emergency Aid (SEAR)	0	0	0	0	0	0	0	0	0
	European Solidarity Reserve	–	–	–	–	1 234	(1 234)	–	–	–
	Emergency Aid Reserve	–	–	–	–	–	–	–	–	–
	European Globalisation Adjustment (EGF)	0	(0)	(0)	–	8	(8)	–	0	0
	Brexit Adjustment Reserve	482	–	(429)	53	304	(304)	–	–	53

EUR million

Programme	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at the end of the year
	Commitm. carried forward from previous year	Decommitm./ Revaluations/ Cancellations	Payments	Commitm. outstanding at year-end	Commitm. made during the year	Payments	Cancellation of commitm. which cannot be carried over	Commitm. outstanding at year-end	
	1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8
Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	482	(0)	(429)	53	1 546	(1 546)	–	0	53
Total	**543 003**	**(2 288)**	**(159 765)**	**380 950**	**213 661**	**(87 223)**	**(10)**	**126 428**	**507 378**

6.11. DETAILED MFF: OUTSTANDING COMMITMENTS BY YEAR OF ORIGIN

EUR million

	Programme	<2018	2018	2019	2020	2021	2022	2023	2024	Total
1	Horizon Europe	346	434	880	1 964	2 704	3 826	5 777	12 715	28 646
	Euratom	24	5	6	14	16	17	21	131	234
	Thermonuclear Experimental Reactor (ITER)	–	–	–	–	–	610	482	356	1 449
	Other actions	–	–	0	2	5	4	61	191	263
	Pilot projects and prep. actions	0	1	0	0	2	9	18	20	50
	InvestEU Fund	182	74	102	133	60	1 203	2 571	337	4 663
	CEF - Transport	83	71	984	1 289	696	403	797	1 767	6 089
	CEF - Energy	274	43	659	902	381	551	242	881	3 934
	CEF - Digital	1	0	1	7	102	175	188	83	556
	Digital Europe	–	–	–	0	281	356	429	1 285	2 351
	Decentralised agencies	–	–	–	–	–	–	–	36	36
	Other actions	–	–	–	–	–	–	1	60	61
	Pilot projects and prep. actions	–	–	0	10	5	4	3	4	26
	Actions under prerogatives of Commission	–	–	–	0	1	2	9	23	36
	Single Market	49	9	25	27	32	97	169	506	914

EUR million

	Programme	<2018	2018	2019	2020	2021	2022	2023	2024	Total
	EU Anti-Fraud	0	–	0	1	5	5	7	16	34
	Taxation	–	–	0	0	3	4	7	30	44
	Customs	–	0	0	0	3	13	31	101	148
	Decentralised agencies	–	–	–	–	–	–	–	0	0
	Other actions	–	–	–	–	0	–	0	5	5
	Pilot projects and prep. actions	–	–	–	1	0	8	5	11	25
	European Space Programme	0	2	5	144	12	28	267	1 026	1 483
	Decentralised agencies	–	–	–	–	–	–	–	17	17
	Pilot projects & preparatory actions	–	–	–	–	–	–	–	17	17
	Union Secure Connectivity	–	–	–	–	–	–	–	83	83
	Total Heading 1: Single Market, Innovation and Digital	957	639	2 663	4 496	4 309	7 314	11 086	19 700	51 164
2	Regional Development (ERDF)	686	1	0	26	77	506	159	103 733	105 188
	Cohesion Fund	84	0	0	0	0	17	18	15 928	16 048
	Cohesion Fund contrib. to CEF-Transport	523	261	547	1 163	450	462	401	1 596	5 402
	Pilot projects and prep. actions	0	1	–	0	0	1	–	1	4
	European Social Fund Plus (ESF+)	279	0	2	1	6	15	45	47 180	47 528
	Support to Turkish-Cypriot Community	0	0	1	5	9	16	27	36	95
	European Recovery and Resilience	–	–	0	0	2 298	39 792	51 627	67 853	161 570
	Pericles IV	–	–	–	–	–	–	0	0	0
	EU Recovery	–	–	–	–	–	–	–	1 865	1 865
	RescEU	–	–	3	98	75	264	595	157	1 193
	EU4Health	1	0	5	6	122	346	366	661	1 507
	Emergency support within the Union (ESI)	–	–	–	0	9	19	–	–	28
	Decentralised agencies	0	0	0	0	2	11	16	19	50
	Pilot projects and prep. actions	0	–	–	–	–	–	–	–	0
	Actions under prerogatives of Commission	–	–	–	–	–	0	1	9	10
	Employment and Social Innovation	3	1	8	10	12	22	52	78	185

EUR million

	Programme	<2018	2018	2019	2020	2021	2022	2023	2024	Total
	Erasmus+	0	1	3	115	216	439	584	893	2 251
	European Solidarity Corps (ESC)	0	–	5	33	21	20	18	52	149
	Creative Europe	–	0	2	5	18	75	101	153	354
	Justice	4	2	3	2	5	10	10	18	53
	Rights and Values	5	3	3	3	9	45	74	145	288
	Decentralised agencies	–	–	–	0	19	9	13	12	53
	Other actions	0	–	0	0	–	2	3	7	13
	Pilot projects and prep. actions	0	1	1	4	3	8	15	26	58
	Actions under prerogatives of Commission	1	3	5	6	6	15	33	128	197
	Total Heading 2: Cohesion, Resilience and Values	1 587	273	588	1 478	3 357	42 094	54 161	240 550	344 088
3	Agricultural Guarantees	–	8	13	18	31	59	91	150	371
	Other progr. of Natural Resources and Environment	0	0	0	0	0	0	0	0	0
	Agricultural Fund for Rural Development	0	–	0	6	0	2 995	9	32 507	35 517
	Maritime and Fisheries	22	0	1	3	11	19	42	3 242	3 341
	Fisheries (SFPA and RFMO)	–	–	–	–	–	0	8	30	38
	Decentralised agencies	–	–	–	–	–	–	–	–	–
	Other actions	0	0	0	0	0	0	0	0	0
	Pilot projects and prep. actions	–	–	–	–	–	1	1	8	10
	Environment and Climate (LIFE)	113	193	164	194	329	457	489	753	2 691
	Just Transition Fund	–	–	–	–	0	1	4	8 760	8 765
	Loan facility under Just Transition Mechanism	–	–	–	–	–	10	11	83	104
	Decentralised agencies	–	–	–	–	–	–	–	–	–
	Pilot projects and prep. actions	0	0	–	1	0	3	4	6	15
	Specific actions	–	–	–	–	–	–	3	13	16

EUR million

	Programme	<2018	2018	2019	2020	2021	2022	2023	2024	Total
	Total Heading 3: Natural Resources and Environment	136	201	178	222	372	3 544	663	45 551	50 867
4	Asylum, Migration and Integration	20	2	18	235	21	95	725	1 746	2 862
	Decentralised agencies	–	–	–	–	–	13	–	–	13
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0
	Border Mngmt. (IBMF) - Border mngmt and visa	20	0	0	186	46	140	655	1 168	2 215
	Border Mngmt. (IBMF) - Customs equipment	–	–	–	–	72	64	70	98	305
	Decentralised agencies	–	–	–	–	–	–	130	230	359
	Total Heading 4: Migration and Border Management	40	3	18	421	139	313	1 580	3 241	5 754
5	Internal Security Fund (ISF)	5	5	3	32	8	27	171	385	636
	Nuclear decommissioning	3	1	13	65	42	99	41	67	331
	Nuclear Safety and decommissioning	10	39	44	74	39	12	27	50	296
	Decentralised agencies	–	–	–	–	–	–	–	6	6
	Pilot projects and prep. actions	–	–	–	1	–	–	–	–	1
	Actions under prerogatives of Commission	0	–	0	1	1	2	5	13	22
	European Defence (Research)	–	–	–	–	110	160	178	339	788
	European Defence (Non Research)	–	–	14	14	232	286	322	589	1 458
	Military Mobility	–	–	–	–	74	26	57	134	291
	Defence instrument on common procurement	–	–	–	–	–	–	–	259	259
	Defence Industrial Reinforcement instrument	–	–	–	–	–	–	107	235	343
	European Defence industry Programme	0	0	0	0	0	0	0	0	0
	Pilot projects and prep. actions	–	0	–	–	–	–	–	–	0
	Union Secure Connectivity	–	–	–	–	–	–	–	16	16
	Total Heading 5: Security and Defence	18	46	74	188	506	612	909	2 094	4 445
6	Neighbourhood, Developm. and Intl. Cooperation	1 044	825	993	1 407	2 985	6 785	8 133	10 224	32 397
	Instrument for Nuclear Safety (EINS)	2	4	8	11	23	20	34	34	137
	Humanitarian Aid (HUMA)	–	–	6	7	28	127	333	627	1 127
	Common Foreign and Security Policy (CFSP)	1	–	12	0	7	6	18	54	96

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EUR million

	Programme	<2018	2018	2019	2020	2021	2022	2023	2024	Total
	Overseas Countries and Territories (OCT)	–	–	1	–	2	46	53	44	147
	MFA+	–	–	–	–	–	–	–	153	153
	Other actions	–	–	–	–	–	–	0	57	57
	Pilot projects and prep. actions	0	–	–	–	–	–	–	–	0
	Actions under prerogatives of Commission	–	0	0	4	13	26	42	66	151
	Pre-Accession Assistance (IPA III)	290	320	630	519	998	1 342	1 266	2 069	7 434
	Facility for Western Balkans	–	–	–	–	–	–	–	399	399
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0
	Total Heading 6: Neighbourhood and the World	1 336	1 149	1 651	1 948	4 056	8 352	9 878	13 726	42 097
7	Staff Pensions	–	–	–	–	–	–	–	–	–
	(Pensions former Members) EP	–	–	–	–	–	–	–	–	–
	(Pensions former Members) ECC	–	–	–	–	–	–	–	–	–
	(Pensions former Members) Commission	–	–	–	–	–	–	–	–	–
	(Pensions former Members) CJEU	–	–	–	–	–	–	–	–	–
	(Pensions former Members) ECA	–	–	–	–	–	–	–	–	–
	(Pensions former Members) Ombudsman	–	–	–	–	–	–	–	–	–
	(Pensions former Members) EDPS	–	–	–	–	–	–	–	–	–
	European schools	–	–	–	–	–	–	–	4	4
	Remuneration statutory staff	–	–	–	–	–	–	–	0	0
	Remuneration external staff	–	–	–	–	–	–	0	23	23
	Members - Salaries and allowances	–	–	–	–	–	–	–	1	1
	Members - Temporary allowances	–	–	–	–	–	–	–	–	–
	Recruitment costs	–	–	–	–	–	–	–	3	3
	Termination of service	–	–	–	–	–	–	–	–	–
	Training costs	–	–	–	–	–	–	–	12	12
	Social and Mobility	–	–	–	–	–	0	0	12	12
	Information and comm. technology	–	–	–	–	–	–	–	166	166
	Rents and purchases	–	–	–	–	–	–	–	31	31

EUR million

	Programme	<2018	2018	2019	2020	2021	2022	2023	2024	Total
	Linked to buildings	–	–	–	–	–	–	–	49	49
	Security	–	–	–	–	–	–	–	32	32
	Mission and representation	–	–	–	–	–	–	–	10	10
	Meetings, committees, conference	–	–	–	–	–	–	–	6	6
	Official journal	–	–	–	–	–	–	–	1	1
	Publications	–	–	–	–	–	–	–	7	7
	Acquisition of information	–	–	–	–	–	–	–	2	2
	Studies and investigations	–	–	–	–	–	–	–	5	5
	General equipment, vehicle, furniture	–	–	–	–	–	–	–	11	11
	Linguistic external services	–	–	–	–	–	–	–	2	2
	Other administrative expenditure	–	–	–	–	–	–	–	12	12
	Pilot projects and prep. actions	0	0	0	0	0	0	0	0	0
	Administrative expenditure of Other Institutions	0	0	0	0	0	0	0	623	623
	Total Heading 7: European Public Administration	–	–	–	–	–	0	0	1 011	1 011
O	Innovation Fund (IF)	–	–	–	–	65	2 586	3 420	572	6 643
	Ukraine Facility	–	–	–	–	–	–	–	1 250	1 250
	Other actions	–	–	–	–	–	–	1	5	6
	Total Heading O: Outside MFF	–	–	–	–	65	2 586	3 421	1 827	7 899
S	Solidarity and Emergency Aid (SEAR)	0	0	0	0	0	0	0	0	0
	European Solidarity Reserve	–	–	–	–	–	–	–	–	–
	Emergency Aid Reserve	–	–	–	–	–	–	–	–	–
	European Globalisation Adjustment (EGF)	–	–	–	–	–	–	–	0	0
	Brexit Adjustment Reserve	–	–	–	–	–	–	53	–	53
	Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	–	–	–	–	–	–	53	0	53
	Total	**4 074**	**2 312**	**5 172**	**8 752**	**12 804**	**64 814**	**81 750**	**327 700**	**507 378**

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As a result from re-allocation of commitments in the framework of the migration to a new accounting system (SUMMA) a shift of outstanding amount (EUR 201 274 million) between years has occurred. The overall amount of outstanding commitments remains unchanged.

6.12. DETAILED MFF: OUTSTANDING COMMITMENTS BY APPROPRIATIONS TYPE

EUR million

Heading		From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
1	Horizon Europe	23 506	(367)	12 994	12 039	24 094	4 433	(204)	2 087	1 765	4 551	28 646
	Euratom	304	(1)	280	369	214	54	(4)	7	36	21	234
	Thermonuclear Experimental Reactor (ITER)	1 570	(2)	436	562	1 443	6	–	1	1	6	1 449
	Other actions	0	0	–	–	–	135	(8)	222	86	263	263
	Pilot projects and prep. actions	48	(1)	24	21	50	0	0	0	0	0	50
	InvestEU Fund	2 253	(31)	348	256	2 314	3 582	(0)	1 603	2 834	2 350	4 663
	CEF - Transport	6 442	(85)	1 758	2 087	6 028	61	(3)	23	20	61	6 089
	CEF - Energy	3 819	(42)	885	775	3 886	54	–	–	6	48	3 934
	CEF - Digital	647	(39)	87	142	553	3	(0)	1	1	3	556
	Digital Europe	2 070	4	1 264	1 042	2 296	46	(7)	49	33	55	2 351
	Decentralised agencies	39	–	217	220	36	–	–	9	9	–	36
	Other actions	2	(0)	1	1	1	–	–	69	10	60	61
	Pilot projects and prep. actions	34	(2)	14	20	26	0	0	0	0	0	26
	Actions under prerogatives of Commission	31	(1)	24	23	31	5	(0)	4	4	5	36
	Single Market	917	(55)	604	583	882	32	(3)	22	20	32	914
	EU Anti-Fraud	29	(0)	24	20	33	0	(0)	1	0	1	34
	Taxation	40	(1)	38	35	43	2	–	0	0	1	44

EUR million

Heading		From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
	Customs	141	(2)	136	129	146	4	(0)	1	4	1	148
	Decentralised agencies	0	(0)	132	132	0	–	–	10	10	0	0
	Other actions	7	(0)	6	8	5	0	–	0	0	–	5
	Pilot projects and prep. actions	21	(1)	12	7	25	0	0	0	0	0	25
	European Space Programme	1 223	(2)	2 088	2 226	1 083	190	(2)	265	54	399	1 483
	Decentralised agencies	18	–	79	84	14	2	–	3	2	3	17
	Pilot projects & preparatory actions	–	–	17	–	17	0	0	0	0	0	17
	Union Secure Connectivity	156	(0)	117	190	83	0	0	0	0	0	83
	Total Heading 1: Single Market, Innovation and Digital	43 318	(629)	21 584	20 969	43 304	8 608	(230)	4 378	4 895	7 860	51 164
2	Regional Development (ERDF)	74 573	443	38 668	13 263	100 420	16 496	(530)	4 798	15 997	4 768	105 188
	Cohesion Fund	11 413	(3)	6 600	2 352	15 658	1 048	(17)	1 095	1 736	390	16 048
	Cohesion Fund contrib. to CEF-Transport	6 066	(40)	1 606	2 246	5 387	13	(0)	2	0	15	5 402
	Pilot projects and prep. actions	3	(0)	4	3	4	0	0	0	0	0	4
	European Social Fund Plus (ESF+)	31 288	582	16 731	4 887	43 714	13 963	(597)	1 913	11 465	3 814	47 528
	Support to Turkish-Cypriot Community	99	(3)	34	40	91	1	(0)	7	3	5	95
	European Recovery and Resilience	157	(10)	123	101	169	214 361	(3)	2 230	55 187	161 401	161 570

EUR million

Heading	From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
	1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
Pericles IV	1	(0)	1	1	0	–	–	0	0	0	0
EU Recovery	649	(0)	3 340	2 125	1 863	2	(0)	2	3	2	1 865
RescEU	540	(10)	240	355	415	1 166	(1)	14	402	778	1 193
EU4Health	1 274	(15)	753	546	1 466	27	(1)	41	27	41	1 507
Emergency support within the Union (ESI)	21	(3)	–	8	9	19	–	–	0	19	28
Decentralised agencies	42	(0)	263	256	49	0	–	38	38	1	50
Pilot projects and prep. actions	0	–	–	–	0	0	0	0	0	0	0
Actions under prerogatives of Commission	10	(1)	12	12	10	0	(0)	0	0	0	10
Employment and Social Innovation	174	(11)	93	83	173	9	(0)	7	4	12	185
Erasmus+	1 863	(55)	3 796	3 532	2 072	221	(9)	477	509	179	2 251
European Solidarity Corps (ESC)	153	(23)	144	135	138	14	(4)	16	15	10	149
Creative Europe	414	(6)	335	402	341	14	(1)	15	15	13	354
Justice	63	(7)	42	47	51	4	(0)	1	1	3	53
Rights and Values	271	(5)	219	198	286	1	(0)	1	0	1	288
Decentralised agencies	48	(0)	303	299	52	1	(0)	5	5	1	53
Other actions	13	(2)	8	8	11	2	(0)	0	1	1	13
Pilot projects and prep. actions	65	(2)	26	31	58	0	–	0	0	0	58
Actions under prerogatives of Commission	192	(4)	183	181	190	3	(0)	6	3	7	197

EUR million

	Heading	From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
	Total Heading 2: Cohesion, Resilience and Values	129 392	825	73 525	31 113	172 629	247 365	(1 163)	10 668	85 412	171 459	344 088
3	Agricultural Guarantees	358	(35)	40 465	40 420	368	0	–	345	342	3	371
	Agricultural Fund for Rural Development	33 157	(61)	13 155	13 997	32 254	4 734	(0)	1	1 471	3 263	35 517
	Maritime and Fisheries	2 692	231	1 070	760	3 233	607	(234)	127	392	108	3 341
	Fisheries (SFPA and RFMO)	23	(1)	130	114	38	0	0	0	0	0	38
	Decentralised agencies	–	–	30	30	–	–	–	1	1	–	–
	Pilot projects and prep. actions	4	(0)	8	3	10	0	0	0	0	0	10
	Environment and Climate (LIFE)	2 538	(24)	768	597	2 684	9	(0)	4	6	7	2 691
	Just Transition Fund	2 773	(0)	1 479	6	4 245	10 504	(0)	160	6 144	4 520	8 765
	Loan facility under Just Transition Mechanism	40	–	50	60	29	17	–	76	19	75	104
	Decentralised agencies	–	–	66	66	–	–	–	8	8	–	–
	Pilot projects and prep. actions	18	(0)	6	9	15	0	0	0	0	0	15
	Specific actions	4	(0)	16	4	16	0	0	0	0	0	16
	Total Heading 3: Natural Resources and Environment	41 606	109	57 243	56 066	42 891	15 871	(234)	721	8 382	7 976	50 867
4	Asylum, Migration and Integration	2 709	8	1 502	1 363	2 856	11	(8)	6	3	6	2 862
	Decentralised agencies	13	–	152	152	13	–	–	13	13	–	13

EUR million

	Heading	From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
	Border Mngmt. (IBMF) - Border mngmt and visa	1 637	17	1 004	564	2 094	161	(17)	53	75	121	2 215
	Border Mngmt. (IBMF) - Customs equipment	278	(0)	144	117	305	0	0	0	0	0	305
	Decentralised agencies	312	–	1 090	1 043	359	–	–	76	76	–	359
	Total Heading 4: Migration and Border Management	4 949	24	3 892	3 239	5 627	172	(25)	147	166	127	5 754
5	Internal Security Fund (ISF)	518	2	323	208	635	6	(2)	1	3	1	636
	Nuclear decommissioning	405	(0)	67	142	331	0	0	0	0	0	331
	Nuclear Safety and decommissioning	312	(1)	60	76	296	0	–	0	0	0	296
	Decentralised agencies	–	–	252	247	6	–	–	11	11	–	6
	Pilot projects and prep. actions	1	–	–	–	1	0	0	0	0	0	1
	Actions under prerogatives of Commission	26	(2)	32	35	22	0	–	–	0	–	22
	European Defence (Research)	631	(0)	344	212	763	15	(0)	12	2	25	788
	European Defence (Non Research)	1 290	(0)	680	529	1 441	33	–	23	39	16	1 458
	Military Mobility	376	(1)	251	335	291	0	0	0	0	0	291
	Defence instrument on common procurement	–	–	250	–	250	–	–	9	0	9	259
	Defence Industrial Reinforcement instrument	157	(0)	343	172	327	–	–	16	1	15	343

EUR million

	Heading	From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
	Pilot projects and prep. actions	0	–	–	–	0	0	0	0	0	0	0
	Union Secure Connectivity	30	–	96	110	16	0	0	0	0	0	16
	Total Heading 5: Security and Defence	3 748	(2)	2 699	2 066	4 379	55	(2)	71	57	66	4 445
6	Neighbourhood, Developm. and Intl. Cooperation	30 342	(610)	11 432	9 352	31 811	340	(29)	525	250	586	32 397
	Instrument for Nuclear Safety (EINS)	137	(5)	42	40	133	4	–	1	1	3	137
	Humanitarian Aid (HUMA)	1 047	(6)	2 495	2 422	1 115	15	(0)	17	20	12	1 127
	Common Foreign and Security Policy (CFSP)	94	(23)	385	379	78	13	(2)	21	14	19	96
	Overseas Countries and Territories (OCT)	129	(0)	72	55	147	0	0	0	0	0	147
	MFA+	–	–	5	5	–	–	–	569	416	153	153
	Other actions	28	(0)	79	50	57	–	–	0	0	–	57
	Pilot projects and prep. actions	0	(0)	–	0	0	0	0	0	0	0	0
	Actions under prerogatives of Commission	152	(9)	95	88	151	0	(0)	0	0	0	151
	Pre-Accession Assistance (IPA III)	7 415	(48)	2 063	2 227	7 203	269	(47)	83	74	231	7 434
	Facility for Western Balkans	–	–	400	1	399	0	0	0	0	0	399

EUR million

Heading		From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
	Total Heading 6: Neighbourhood and the World	39 345	(701)	17 067	14 618	41 093	642	(78)	1 217	777	1 004	42 097
7	Staff Pensions	–	–	2 589	2 589	(0)	–	–	273	273	0	(0)
	(Pensions former Members) EP	–	–	15	15	0	0	0	0	0	0	0
	(Pensions former Members) ECC	–	–	1	1	(0)	0	0	0	0	0	(0)
	(Pensions former Members) Commission	–	–	9	9	(0)	0	0	0	0	0	(0)
	(Pensions former Members) CJEU	–	–	15	15	–	0	0	0	0	0	–
	(Pensions former Members) ECA	–	–	7	7	0	0	0	0	0	0	0
	(Pensions former Members) Ombudsman	–	–	0	0	–	0	0	0	0	0	–
	(Pensions former Members) EDPS	–	–	0	0	–	0	0	0	0	0	–
	European schools	0	(0)	246	246	0	1	(0)	23	20	4	4
	Remuneration statutory staff	0	(0)	2 897	2 897	0	–	–	60	60	–	0
	Remuneration external staff	32	(4)	265	272	21	1	(0)	45	44	2	23
	Members - Salaries and allowances	0	(0)	17	16	1	–	–	0	0	0	1
	Members - Temporary allowances	–	(0)	1	0	0	0	0	0	0	0	0
	Recruitment costs	2	(0)	30	28	3	0	(0)	0	0	0	3
	Termination of service	–	(0)	7	7	–	0	0	0	0	0	–

EUR million

Heading	From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
	1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
Training costs	8	(1)	17	15	10	3	(0)	4	4	2	12
Social and Mobility	7	(1)	23	22	7	6	(2)	15	14	5	12
Information and comm. technology	129	(1)	287	295	120	42	(0)	134	130	46	166
Rents and purchases	5	(0)	326	300	30	2	(0)	314	315	1	31
Linked to buildings	57	(5)	107	115	44	6	(0)	22	23	5	49
Security	32	(2)	74	79	25	6	(0)	9	8	7	32
Mission and representation	11	(3)	54	52	10	0	(0)	2	2	0	10
Meetings, committees, conference	6	(3)	15	13	5	1	(0)	1	1	1	6
Official journal	1	(0)	3	2	1	–	–	0	–	0	1
Publications	5	(0)	12	11	5	2	(0)	3	3	1	7
Acquisition of information	2	(0)	7	6	2	0	–	0	0	–	2
Studies and investigations	5	(0)	6	5	5	0	–	0	0	0	5
General equipment, vehicle, furniture	11	(0)	16	18	9	1	(0)	6	6	2	11
Linguistic external services	2	(0)	27	27	2	1	(0)	36	36	1	2
Other administrative expenditure	4	(0)	19	18	5	6	(0)	21	20	7	12
Administrative expenditure of Other Institutions	567	(10)	4 912	4 886	582	42	(42)	379	338	40	623
Total Heading 7: European Public Administration	886	(32)	12 004	11 969	888	118	(46)	1 348	1 297	123	1 011

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EUR million

	Heading	From budget appropriations					From assigned revenue appropriations					Total commitm. outstanding at the end of 2024
		Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	Commitm. carried forward from 2023	Adjust-ments	Commitm. made	Payments made	Amount remaining to be settled	
		1	2	3	4	5=1+2 +3-4	6	7	8	9	10=6+7 +8-9	11=5+10
O	Innovation Fund (IF)	0	0	–	–	–	6 443	(111)	603	292	6 643	6 643
	Ukraine Facility	–	(0)	4 737	3 634	1 103	–	–	150	3	147	1 250
	Other actions	0	0	–	–	–	4	(3)	62	57	6	6
	Total Heading O: Outside MFF	–	(0)	4 737	3 634	1 103	6 447	(114)	815	353	6 795	7 899
S	European Solidarity Reserve	–	–	1 234	1 234	–	0	0	0	0	0	–
	European Globalisation Adjustment (EGF)	0	(0)	8	8	0	0	0	0	0	0	0
	Brexit Adjustment Reserve	321	–	7	275	53	161	–	297	458	–	53
	Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	321	(0)	1 249	1 517	53	161	–	297	458	–	53
	Total	**263 564**	**(405)**	**194 000**	**145 192**	**311 967**	**279 440**	**(1 893)**	**19 661**	**101 797**	**195 410**	**507 378**

ELI: http://data.europa.eu/eli/C/2025/4944/oj

7.1. IMPLEMENTATION OF BUDGET REVENUE

EUR million

Institution	Income appropriations		Entitlements established			Revenue			Receipts as % of budget	Out standing
	Initial adopted budget	Final adopted budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total		
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
European Parliament	222	222	281	12	293	279	3	282	127 %	11
European Council and Council	72	72	99	1	100	98	1	99	137 %	1
Commission	142 141	149 255	246 702	19 281	265 983	239 802	9 925	249 727	167 %	16 256
Court of Justice	73	73	74	0	74	74	0	74	101 %	0
Court of Auditors	31	31	30	0	30	30	0	30	97 %	0
Economic and Social Committee	17	17	22	0	22	22	0	22	134 %	0
Committee of the Regions	14	14	16	0	16	16	0	16	117 %	0
Ombudsman	2	2	2	0	2	2	0	2	107 %	0
European Data Protection Supervisor	2	2	2	0	2	2	0	2	102 %	–
European External Action Service	57	57	356	0	356	356	0	356	626 %	0
Total	**142 630**	**149 744**	**247 584**	**19 295**	**266 879**	**240 680**	**9 929**	**250 609**	**167 %**	**16 270**

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.

The budget and implementation of Agencies are not consolidated within the EU budget and are not included in the EU budget reports. The Commission subsidy paid to the agencies however is part of the EU budget. In this budgetary part of the annual accounts, only the subsidy paid from the Commission budget to the Agencies is taken into consideration.

Concerning the EEAS, it should be noted that, in addition to its own budget, it also receives contributions from the Commission of EUR 236,1 million (2023: EUR 240,5 million) and the EDF legacy and the Trust Funds of EUR 19,3 million (2023: EUR 18,7 million). These contributions cover the costs of the Commission's staff in the delegations financed under the EDF and the Trust Funds, including assigned revenue generated during the year from these contributions.

7.2. **IMPLEMENTATION OF COMMITMENT APPROPRIATIONS**

EUR million

Institution	Total appropriat. available	Commitments made					Appropriations carried over to 2025			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
European Parliament	2 469	2 375	0	49	2 424	98 %	0	37	37	8	0	0	8
European Council and Council	732	653	0	32	684	93 %	0	23	23	24	0	0	24
Commission	222 217	188 153	936	19 282	208 370	94 %	1 365	10 969	12 334	1 121	62	330	1 513
Court of Justice	506	499	0	1	500	99 %	0	1	1	5	0	0	5
Court of Auditors	186	181	0	0	182	98 %	0	0	0	4	–	0	4
Economic and Social Committee	172	164	0	5	169	98 %	0	2	2	1	0	0	1
Committee of Regions	126	123	0	1	124	99 %	0	1	1	0	0	–	0
Ombudsman	14	14	0	–	14	98 %	0	–	–	0	0	–	0
European Data-protection Supervisor	24	23	0	–	23	96 %	0	0	0	1	0	–	1
European External Action Service	1 240	880	1	290	1 171	94 %	0	68	68	0	–	0	0
Total	**227 687**	**193 064**	**937**	**19 661**	**213 661**	**94 %**	**1 365**	**11 103**	**12 468**	**1 166**	**62**	**330**	**1 558**

7.3. **IMPLEMENTATION OF PAYMENT APPROPRIATIONS**

EUR million

Institution	Total approp. available	Payments made					Appropriations carried over to 2025			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13
European Parliament	2 825	2 038	322	47	2 407	85 %	337	46	383	8	26	1	35
European Council and Council	819	574	78	32	684	84 %	79	24	103	24	8	–	32
Commission	269 678	141 805	2 122	97 837	241 764	90 %	3 266	24 509	27 775	33	99	7	140
Court of Justice	537	467	27	1	494	92 %	32	1	33	5	4	–	9
Court of Auditors	196	171	9	0	181	92 %	10	0	10	4	0	–	5
Economic and Social Committee	186	153	12	4	168	90 %	10	4	14	1	2	–	3
Committee of Regions	137	113	10	1	124	91 %	10	2	11	0	1	–	1
Ombudsman	14	13	0	–	13	94 %	0	–	0	0	0	–	0
European Data-protection Supervisor	27	21	2	–	23	84 %	3	0	3	1	1	–	2
European External Action Service	1 350	778	98	253	1 129	84 %	102	106	208	0	13	–	13
Total	**275 769**	**146 134**	**2 680**	**98 175**	**246 988**	**90 %**	**3 848**	**24 692**	**28 540**	**78**	**154**	**8**	**240**

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8. **IMPLEMENTATION OF THE AGENCIES' BUDGETS**

The agencies' revenue and expenditure, as shown in the reports 8.1 and 8.2 below, are not consolidated as such within the EU budget. In this budgetary part of the annual accounts, only the subsidy paid from the Commission budget to the Agencies is taken into consideration.

The EU budget implementation reports include the subsidy paid from the EU budget to the agencies as commitment and payment appropriations, when applicable.

The agencies' reports below show an overview of the Agencies, both decentralised (also known as traditional agencies) and executive agencies, and of their revenue (8.1) and expenditure (8.2).

Other sources of revenue and their related expenditure are not added into the EU budget accounts. Each agency presents its own set of annual accounts.

8.1. **BUDGET REVENUE**

EUR million

Agency	Funding MFF heading	Final adopted budget	Revenue received
Agency for the Cooperation of Energy Regulators	1	35	35
Agency for the Operational Management of Large-Scale IT Systems	4	257	287
Body of European Regulators for Electronic Communications	1	8	8
Community Plant Variety Office	N/A	23	21
European Agency for Safety and Health at Work	2b	18	17
European Asylum Support Office	4	182	185
European Aviation Safety Agency	1	243	217
European Banking Authority	1	56	57
European Border and Coast Guard Agency	4	922	927
European Centre for Disease Prevention and Control	2b	93	102
European Centre for the Development of Vocational Training	2b	20	21
European Chemicals Agency	1	127	131
European Climate, Infrastructure and Environment Executive Agency	1, 2a, 3, 5	69	70
European Education and Culture Executive Agency	2b, 6	70	70
European Environment Agency	3	103	98
European Fisheries Control Agency	3	31	32
European Food Safety Authority	2b	157	155
European Foundation for the Improvement of Living and Working Conditions	2b	24	25
European Health and Digital Executive Agency	1, 2b	56	56
European Innovation Council and SMEs Executive Agency	1, 2a	50	49
European Institute for Gender Equality	2b	9	9
European Institute of Innovation and Technology	1	418	466
European Insurance and Occupational Pensions Authority	1	37	38
European Labour Authority	2b	40	39
European Maritime Safety Agency	1	93	122

EUR million

Agency	Funding MFF heading	Final adopted budget	Revenue received
European Medicines Agency	2b	481	492
European Monitoring Centre for Drugs and Drug Addiction	5	35	30
European Public Prosecutor's Office	2b	76	76
European Research Council Executive Agency	1	67	67
European Research Executive Agency	1, 3	112	112
European Securities and Markets Authority	1	75	76
European Training Foundation	2b	28	29
European Union Agency for Criminal Justice Cooperation	2b	65	71
European Union Agency for Cybersecurity	1	26	45
European Union Agency for Law Enforcement Cooperation	5	222	232
European Union Agency for Law Enforcement Training	5	13	32
European Union Agency for Railways	1	32	44
European Union Agency for the Space Programme	1	85	1 342
European Union Fundamental Rights Agency	2b	27	28
European Union Intellectual Property Office	N/A	315	323
Fusion for Energy Joint Undertaking	1	625	662
Translation Centre for the Bodies of the European Union	7	45	37
Total		**5 470**	**6 937**

EUR million

Type of agencies revenue			Amounts received
Commission subsidy			4 854
Fee income			984
Other income			1 098
Total			**6 937**

8.2. **COMMITMENT AND PAYMENT APPROPRIATIONS BY AGENCY**

EUR million

Agency	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
Agency for the Cooperation of Energy Regulators	35	35	43	33
Agency for the Operational Management of Large-Scale IT Systems	407	365	380	277

EUR million

Agency	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
Body of European Regulators for Electronic Communications	8	8	9	8
Community Plant Variety Office	21	20	24	21
European Agency for Safety and Health at Work	18	17	23	18
European Asylum Support Office	224	174	242	173
European Aviation Safety Agency	335	259	348	221
European Banking Authority	58	57	61	57
European Border and Coast Guard Agency	957	936	1 323	873
European Centre for Disease Prevention and Control	110	100	134	96
European Centre for the Development of Vocational Training	20	20	22	21
European Chemicals Agency	135	130	150	128
European Climate, Infrastructure and Environment Executive Agency	69	68	72	68
European Education and Culture Executive Agency	70	69	75	68
European Environment Agency	116	104	140	86
European Fisheries Control Agency	35	32	43	33
European Food Safety Authority	164	163	170	154
European Foundation for the Improvement of Living and Working Conditions	26	26	30	26
European Health and Digital Executive Agency	56	55	57	54
European Innovation Council and SMEs Executive Agency	48	48	52	48
European Institute for Gender Equality	9	9	11	9
European Institute of Innovation and Technology	454	432	495	433
European Insurance and Occupational Pensions Authority	38	38	40	37
European Labour Authority	49	46	45	41
European Maritime Safety Agency	134	122	146	115
European Medicines Agency	516	503	601	515
European Monitoring Centre for Drugs and Drug Addiction	34	33	35	27
European Public Prosecutor's Office	76	75	86	75
European Research Council Executive Agency	67	67	69	68
European Research Executive Agency	112	111	118	112
European Securities and Markets Authority	77	76	83	78
European Training Foundation	33	30	35	28

EUR million

Agency	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
European Union Agency for Criminal Justice Cooperation	84	71	94	69
European Union Agency for Cybersecurity	43	32	47	30
European Union Agency for Law Enforcement Cooperation	240	233	263	228
European Union Agency for Law Enforcement Training	39	20	42	20
European Union Agency for Railways	62	46	49	44
European Union Agency for the Space Programme	2 779	580	2 173	971
European Union Fundamental Rights Agency	29	28	35	29
European Union Intellectual Property Office	483	321	483	318
Fusion for Energy Joint Undertaking	812	746	694	642
Translation Centre for the Bodies of the European Union	45	42	48	43
Total	**9 123**	**6 348**	**9 091**	**6 393**

EUR million

Type of expenditure	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
Administrative	569	546	694	536
Operational	6 334	3 735	6 147	3 794
Staff	2 221	2 067	2 250	2 063
Total	**9 123**	**6 348**	**9 091**	**6 393**

GLOSSARY

Actuarial assumptions

Assumptions used to calculate the costs of future events that affect the pension liability.

Actuarial gains and losses

For a defined benefit scheme, the changes in actuarial deficits or surpluses. They arise as a result of differences between the previous actuarial assumptions and what has actually occurred and due to effects of changes in actuarial assumptions.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority and declared definitely adopted by the President of the European Parliament.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Amounts to be called from Member States

These represent expenses incurred during the reporting period that will need to be funded by future budgets, i.e. by the EU Member States. This is a consequence of the co-existence of accruals based financial statements and a cash based budget.

Annual Activity Report (AAR)

Annual Activity Reports indicate the results of operations by reference to objectives set, associated risks and the internal control structure, inter alia. Since the 2001 budget exercise for the Commission and since 2003 for all European Union institutions, the 'authorising officer by delegation' must submit an AAR to his/her institution on the performance of his/her duties, together with financial and management information.

Appropriations

Budget funding. The budget forecasts both commitments and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ (differentiated appropriations) because multi annual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

Assigned revenue

Dedicated revenue received to finance specific items of expenditure. The main source of external assigned revenue is financial contributions from third countries to programmes financed by the Union. The main source of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films.

Available for sale financial assets

All financial assets (except derivatives) that are according to International Public Sector Accounting Standards measured at fair value and for which the changes in fair value are to be recognised in a reserve in net assets until derecognition (or impairment).

Budget line

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or line) provide a formal description of the nomenclature.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment

Legal pledge to provide finance subject to certain conditions. The EU commits itself to reimbursing its share of the costs of an EU funded project. Today's commitments are tomorrow's payments. Today's payments are yesterday's commitments.

Commitment appropriation

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year.

Current service cost

The increase in scheme liabilities arising from service in the current financial year.

Decommitment

An act whereby a previous commitment (or part of it) is cancelled.

Defined benefit scheme

A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Derivatives

Financial instruments whose value is linked to changes in the value of another financial instrument, an indicator or a commodity. In contrast to the holder of a primary financial instrument (e.g. a government bond), who has an unqualified right to receive cash (or some other economic benefit) in the future, the holder of a derivative has only a qualified right to receive such a benefit. An example of a derivative is currency forward contract.

Direct management

Mode of budget implementation. Under direct management the budget is implemented directly by Commission services, Executive Agencies or Trust Funds.

Discount rate

The rate used to adjust for the time value of money. Discounting is a technique used to compare costs and benefits that occur in different time periods.

Effective interest rate

The rate that discounts estimated future cash receipts or payments over the expected life of the financial asset or financial liability to the net carrying amount of the asset or liability.

Financial assets and liabilities at amortised cost

All financial assets and liabilities that are according to International Public Sector Accounting Standards measured at armotised cost.

Financial assets or liabilities at fair value through surplus or deficit

All financial assets or liabilities that are according to International Public Sector Accounting Standards measured at fair value and for which the changes in fair value are to be recognised in surplus or deficit of the period (i.e. derivatives).

Financial correction

The purpose of financial corrections is to protect the EU budget from the burden of irregular expenditure. For expenditure under shared management, the task of recovering irregular payments is primarily the responsibility of the Member State.

A 'confirmed' financial correction has been accepted by the Member State concerned. A 'decided' financial correction has been adopted by a Commission decision and is always a net correction, where the Member State is required to reimburse irregular funds to the EU budget, thus leading to a definitive reduction of the allocated envelope to the Member State concerned. Confirmed and decided financial corrections are reported in this publication as one category.

An 'implemented' financial correction has corrected the observed irregularity.

Indirect management

Mode of budget implementation. Under indirect management the Commission confers tasks of budget implementation to bodies of EU law or national law.

Interruptions and suspensions

If the Commission finds, based on its own work or the information reported by audit authorities, that a Member State has failed to remedy serious shortcomings in the management and control systems and/or to correct irregular expenditure which had been declared and certified, it may interrupt or suspend payments.

Irregularity

An irregularity is an act which does not comply with the applicable EU or national rules and which has a potentially negative impact on the EU financial interests. Irregularities, which may be the result of the conduct of beneficiaries claiming funds or of the authorities responsible for making payments. The notion of irregularity is wider than that of fraud, which refers to conduct that may qualify as a criminal offence.

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation. Only for Joint Undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called 'N+3' rule). Hence, lapsing appropriations for JUs could be reactivated until financial year 'N+3'.

Outstanding commitments

As the *Reste à Liquider (RAL)*, they represent the amount where a budgetary commitment has been made but the subsequent payment is not yet done. They represent payment obligations for the EU for future years and stem directly from the existence of multi annual programmes and the dissociation between commitment and payment appropriations.

Own resources

The main source of revenues for the EU budget. The different own resources are listed in the applicable Own Resource Decision (Council Decision (EU, Euratom) 2020/2053) and are traditional own resources, VAT-based own resource, GNI-based resource and non-recycled plastic packaging waste-based own resource.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

Pre-financing

A payment intended to provide the beneficiary with a float. It may be split into a number of instalments in accordance with the provisions of the underlying contract, decision, agreement or the basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid.

Preventive measure

Preventive measures, which are at the Commission's disposal to protect the EU budget when it is aware of potential deficiencies, include suspensions and interruptions of payments from the EU budget to the operational programme.

Reste à Liquider (RAL)

As the *Outstanding commitments*, it represents the amount where a budgetary commitment has been made but the subsequent payment is not yet done. They represent payment obligations for the EU for future years and stem directly from the existence of multi annual programmes and the dissociation between commitment and payment appropriations.

Shared management

Mode of budget implementation. Under shared management budget implementation tasks are delegated to Member States. About three quarters of the EU expenditure falls under this implementation mode.

Traditional own resources

Traditional own resources are defined in the applicable Own Resources Decision (Council Decision (EU, Euratom) 2020/2053) and comprise namely customs duties and sugar levies.

Transfers (between budget lines)

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation (FR). The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.

LIST OF ABBREVIATIONS

AAR	Annual Activity Report
AC	Amortised Cost
AFS	Available For Sale
AMIF	Asylum, Migration and Integration Fund
AOD	Authorising Officers by Delegation
ATM	Air Traffic Management
BAR	Brexit adjustment reserve
BOP	Balance of Payments
BUFI Fund	Budget Fines Fund
CAP	Common Agricultural Policy
CCS LGF	Cultural and Creative Sector Guarantee Facility
CEF2	Connecting Europe Facility
CEF DI	Connecting Europe Facility Debt Instrument
CF	Cohesion Fund
CIP	Competitiveness and Innovation Framework Programme
COM	European Commission
COSME	Competitiveness of Enterprises and Small and Medium-sized Enterprises
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPF	Common Provisioning Fund
CPR	Common Provisions Regulation
CRII+	Coronavirus Response Investment Initiative Plus
CRO	Chief Risk Officer
D&WM	Decommissioning and Waste Management
EAD	Exposure At Default
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EAR	European Union Accounting Rule
EaSI	Employment and Social Innovation
EBRD	European Bank for Reconstruction and Development
ECA	European Court of Auditors
ECB	European Central Bank
ECL	Expected Credit Losses
ECOFIN	Economic and Financial Affairs Council
ECSC i.L.	European Coal and Steel Community in Liquidation
EDF	European Development Fund
EDIF	Guarantee Facility under the Western Balkan
EEA	European Economic Area
EEAS	European External Action Service

EFSD	European Fund for Sustainable Development
EFSE	European Fund for Southeast Europe
EFSF	European Financial Stability Facility
EFSI	European Fund for Strategic Investments
EFSM	European Financial Stabilisation Mechanism
EFTA	European Free Trade Association
EGNOS	European Geostationary Navigation Overlay System
EIB	European Investment Bank
EIF	European Investment Fund
ElectriFI	Electrification Financing Initiative
ELM	External Lending Mandate
EMFF	European Maritime and Fisheries Fund
EMU	Economic and Monetary Union
ENEF	Enterprise Expansion Fund
ENIF	Enterprise Innovation Fund
ENPI	European Neighbourhood and Partnership Instrument
EP	European Parliament
ERDF	European Regional Development Fund
ERI	EIB Resilience Initiative
ESA	European Space Agency
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ESM	European Stability Mechanism
ETF	Exchange-Traded Fund
ETS	Emissions trading scheme
EU	European Union
EUMETSAT	European Organisation for the Exploitation of Meteorological Satellites
Euratom	European Atomic Energy Community
EUSF	European Union Solidarity Fund
FGC	Financial Guarantee Contract
FIFO	First-in, First-out
FP7	7th Research Framework Programme for Research and Technological Development
FR	EU Financial Regulation
FSDA	Financial Statement Discussion and Analysis
FVNA	Fair Value through Net Assets/Equity
FVSD	Fair Value through Surplus or Deficit
GDP	Gross Domestic Product
GNI	Gross National Income
GNSS	Global Navigation Satellite Systems

H2020	Horizon 2020
HLRCP	High Level Risk and Compliance Policy
IBMF	Integrated Border Management Fund
IF	Innovation Fund
IIW	Infrastructure and Innovation Window
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
ITER	International Thermonuclear Experimental Reactor
JRC	Joint Research Centre
JSIS	Joint sickness insurance scheme
JU	Joint Undertaking
LGD	Loss given Default Rate
LGF	Loan Guarantee Facility
LGTT	Loan Guarantee Instrument for TEN-T projects
MAP	Multi Annual Programme – Medium Enterprise Financial Inclusion Programme
MEP	Member of the European Parliament
MFA	Macro Financial Assistance
MFF	Multiannual Financial Framework
MIM	Mutual Insurance mechanism
MMF	Money Market Fund
MSME	Micro, Small and Medium Enterprise
NDICI	Neighbourhood, Development and International Cooperation Instrument
NGEU	NextGenerationEU
ORD	Own Resources Decision
PBI	Project Bond Initiative
PD	Probability of Default
PF4EE	Private Finance for Energy Efficiency Instrument
PGF	Participants Guarantee Fund
POCI	Purchased or originated as credit impaired
PPP	Public-Private Partnership
PSEO	Pension Scheme of European Officials
RAL	'Reste à Liquider' (Outstanding Commitments)
RSFF	Risk Sharing Finance Facility
RRF	Recovery and Resilience Facility
RTD	Research, Technological Development and Demonstration
S&P	Standard & Poor's Financial Services LLC
SANAD	MENA Fund for Micro-, Small and Medium Enterprises

SAPARD	Special Accession Programme for Agriculture and Rural Development
SEMED	Southern and Eastern Mediterranean Micro, Small and Middle sized Entreprises Financial Inclusion Programme
SICR	Significant Increase of Credit Risk
SIUGI	SME Initiative Uncapped Guarantee Instrument
SME	Small and Medium-sized Enterprise(s)
SMEW	SME Window (Small and Medium-sized Enterprises Window)
STEP	Strategic technologies for Europe platform
SURE	Support to mitigate Unemployment Risks in an Emergency
TFEU	Treaty on the Functioning of the European Union
TOR	Traditional own resources
TRDI	Temporary Rural Development Instrument
ULCM	Ukraine Loan Cooperation Mechanism
VAT	Value Added Tax