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Interpreting EU Funds Data for Macroeconomic Analysis in the New Member States

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IMF Working Paper

European Department

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Abstract

This Working Paper should not be reported as representing the views of the IMF.

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Drawing on a dataset suitable for macroeconomic analysis, the paper provides an overview of the magnitudes, purpose and institutional implications of EU-related transfers to and from the new member states. A rough analysis of accounting identities and first-round effects shows that EU funds may have led to a fiscal drag of up to 1 percent of GDP and an additional aggregate demand stimulus of up to 1 percent of GDP during the first years of membership. These effects are likely to increase as additional funding become available under the new financial perspective, pointing to the need to consider policy tradeoffs.

JEL Classification Numbers: F42, F53, F35.

Keywords: EU transfers; new member states; EU funds data

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I. INTRODUCTION

Transfers from the EU are increasingly impacting the economies of the EU's new member states in Central and Eastern Europe (NMS).¹ Widely perceived in the region as “manna from heaven”, much attention is currently focused on how to absorb these funds as quickly as possible, so as not to lose them under EU rules. At the same time, injecting up to 4 percent of GDP into economies that are already in a rapid catch-up process will have significant macroeconomic ramifications. Little analysis of these effects in the specific context of the NMS has been carried so far, because of uncertainties about the flows involved, the limited empirical evidence to date and the sometimes complex rules regarding the usage of EU funds. Data available from national and EU sources are, *prima facie*, not useful for macroeconomic analysis because of differences in accounting conventions and categorization.

This paper is intended as a primer on the macroeconomic implications of EU funds in the NMS. It focuses on EU-related financial flows from and to the NMS, during the first 2 ½ years of membership as well as under the EU's new financial perspective (NFP) for 2007-13. This information is not readily available and depends crucially on each country's projected absorption path. The paper seeks to create a correspondence between the forms in which EU funds data are conventionally presented and the categories necessary to assess their impact on fiscal and external accounts and aggregate demand. It also provides some preliminary back-of-the-envelope estimates of the expected magnitudes. The paper is not intended to offer a full macroeconomic analysis, in particular the implications for growth, employment and the real exchange rate. This more ambitious task, which would require a model-based approach, is left to another paper.

The paper is structured as follows. Section II gives an overview of the size and structure of EU funds available to the NMS. Section III focuses on structural funds, which are the bulk of funds under the NFP. Section IV looks at the fiscal implications. Section V provides estimates of projected actual – as opposed to committed – flows, which are necessary to assess the first-round impact of EU funds on aggregate demand and the balance of payment. Section VI concludes.

II. EU FUNDS AVAILABLE TO THE NMS: AN OVERVIEW

EU funds to the NMS serve three broad purposes: income convergence, agricultural support and development of internal market institutions. This is achieved by a myriad of individual programs, each with their own set of rules and target institutions. Moreover, the classification of these funds has changed under the NFP, making it sometimes difficult to compare commitments before and after 2007. Box 1 provides a mapping of the EU's budget

¹ The NMS covered in this paper include Estonia, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia (EU8), plus Bulgaria and Romania. The latter two are only included with respect to the new financial perspective 2007-13 as data on pre-accession aid in 2004-06 were not available.

headings from old to new financial perspective. An explanation of the various programs is contained in Appendix I.

Box 1. Classification of EU funds available to NMS 1/

New Budget headings 2007-13	Old Budget headings 2004-06
Preservation and management of natural resources	Agriculture
Market measures Direct payments Rural development EAFRD--EU Agricultural Rural Development Fund FIFG--EU Financial Instrument for Fisheries	Market measures Direct payments Rural development EAGGF--EU Agricultural Guarantee and Guidance Fund (guarantee section)
Sustainable growth	Structural actions
<i>Competitiveness for growth and employment</i> Nuclear safety Community initiatives <i>Cohesion for growth and employment</i> Structural funds ESF--EU Social Fund ERDF--EU Fund for Regional Development Cohesion Funds	Community initiatives Structural funds ESF--EU Social Fund ERDF--EU Fund for Regional Development EAGGF--EU Agricultural Guarantee and Guidance Fund (guidance section) FIFG--EU Financial Instrument for Fisheries Cohesion Funds
Citizenship, freedom, security and justice	Internal Policies
Existing policies Schengen	Existing policies Nuclear safety Institutional building Schengen
EU as a global player	Pre-accession
	Pre-accession
Compensations	Compensations
Budget compensation	Budget compensation

1/ Headings which do not affect transfers to NMS (e.g., administration) are omitted.

Overall funds committed to the NMS are set to increase under the EU's new financial perspective (Figure 1a)². In nominal terms, all NMS are promised substantially greater allocations under the NFP than what they were granted for 2004-06 (the so-called Copenhagen agreement) and before membership (pre-accession aid). Poland, for example, will replace Spain as the largest recipient of EU structural funds. In GDP terms, increases are not quite so impressive (Figure 1b), reflecting high projected nominal GDP growth in the NMS³. Indeed, EU funds are likely to decline as a percentage of GDP in fast-growing

² Data used in this paper are included in Appendix II. For Romania and Bulgaria, commitments and spending figures are only under NFP classifications.

³ GDP projections used in this paper draw on real growth and US Dollar deflators from the latest IMF country reports. The US Dollar/Euro exchange rate is assumed to remain at its present level.

countries like Latvia. At the other end of the spectrum, Hungary and Czech Republic are set to enjoy a steep increase in EU funds relative to GDP, in part due lower medium-term growth assumptions. Differences in country-specific allocations primarily reflect the degree of real income convergence (Figure 2)

Fig 1a. NMS: Average annual commitments (in euro bn, 2004 prices)

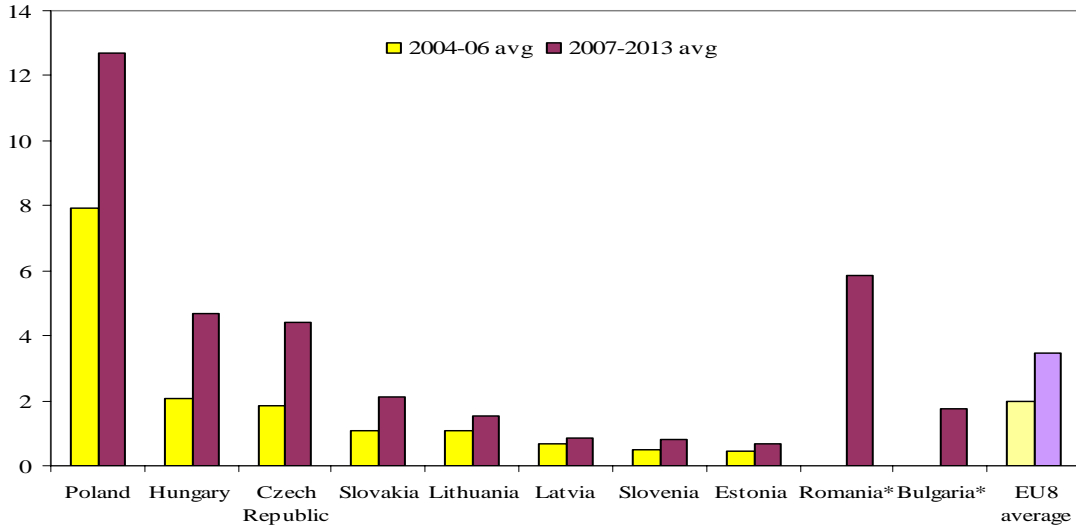
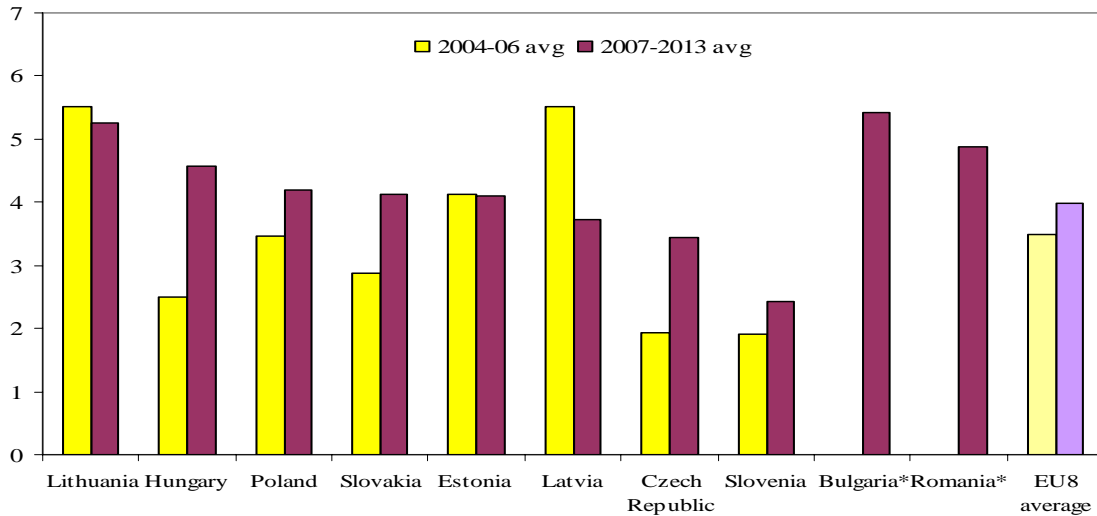
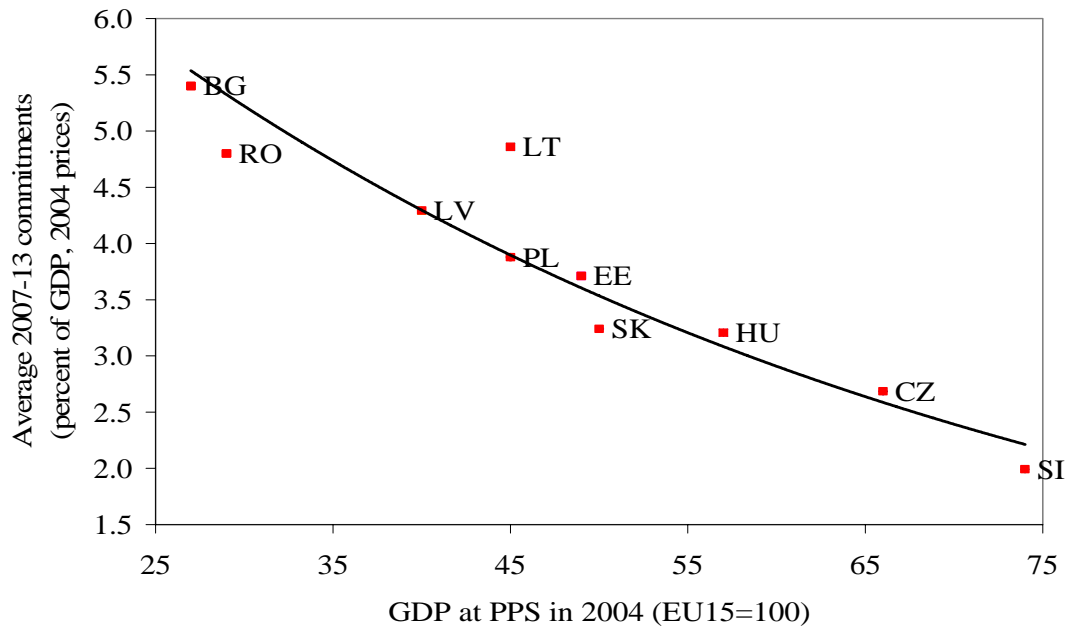


Fig 1b. NMS: Average annual commitments (in percent of GDP, current prices)



Source: National authorities, European Commission, IMF staff estimates.

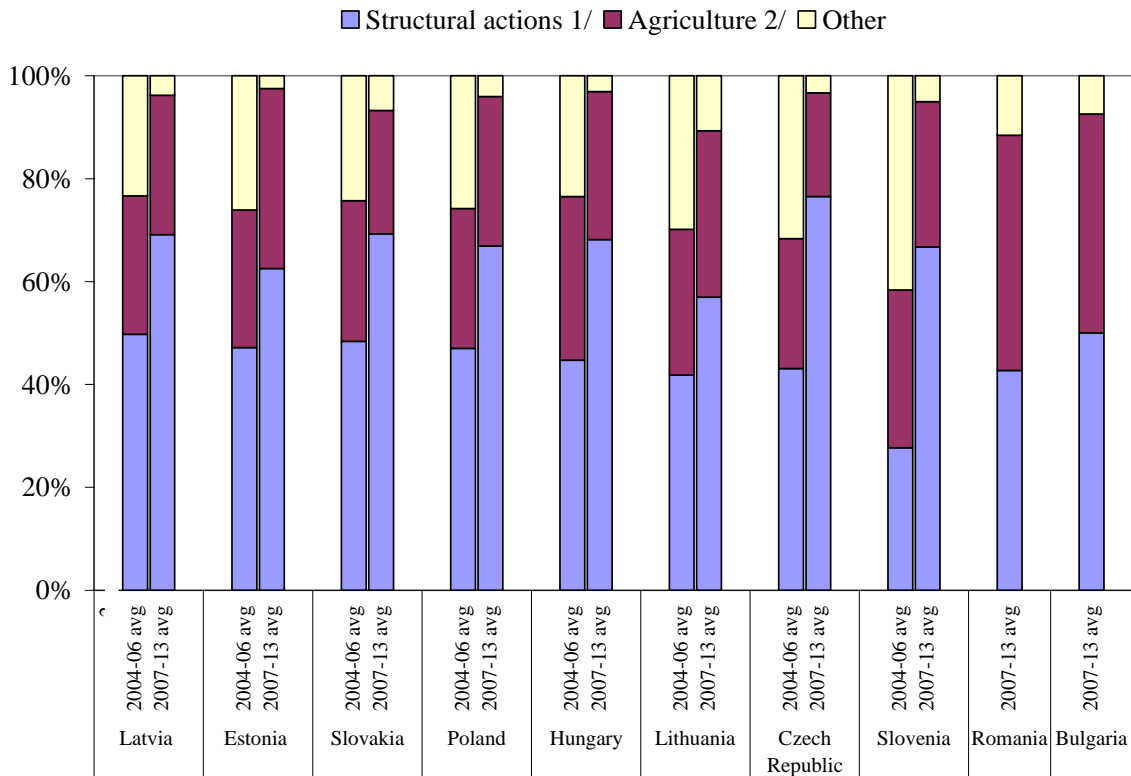
* Data on pre-accession aid are not available.

Fig 2. NMS: Commitments and real convergence

Source: National authorities, European Commission, Eurostat, IMF staff estimates.

Funding is increasingly focused on speeding up income convergence (Figure 3).

Structural and cohesion funds are intended to foster real convergence and therefore account for a large share of payments in the less wealthy NMS. They are set to increase substantially under the NFP, mainly at the expense of unconditional lump sum budget payments granted in the first years of membership primarily to richer countries such as Slovenia (at the time intended to prevent them from becoming net payers to the EU). The NMS will also experience a gradual increase in direct payments to farmers under the common agricultural policy: starting from 40 percent of the level in old members states in 2007, payments to farmers will be increased by 10 percentage points a year to reach parity with the old members by 2013.

Fig 3. NMS: Structure of commitments

Source: National authorities, EC.

1/ Include structural funds (ERDF, ESF, community initiatives) and cohesion funds

2/ Includes direct payments, market measures, and rural development (FIFG/EFF and EAGGF (guidance & guarantee)/EAFRD)

As EU members, the NMS also contribute about one percent of GDP to the EU budget.

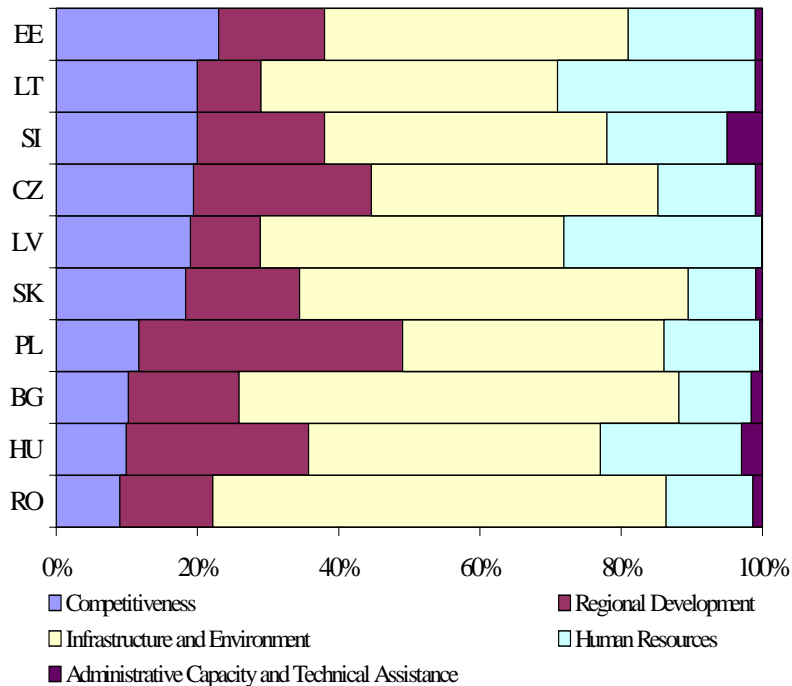
These contributions (called own resources) include gross national product based resources, value added tax based resources, the British rebate⁴, and the EU's traditional revenue sources collected on its behalf by national governments (sugar levies and 75 percent of tariffs on non-EU imports) and are presently capped at 1.24 percent of gross national income. In fact, the NMS' annual payments have been around one percent of GDP in 2005 and 2006 (the first full years of membership) and are expected to remain at that level, also in the recent accession countries Bulgaria and Romania.

⁴ The rebate is calculated as 66 percent of its theoretical negative balance towards the EU budget (around Euro 5.3 billion in 2007). It is financed by all other EU members according to their GNI shares (those for Austria, Germany, Netherlands and Sweden are reduced by three quarters).

III. STRUCTURAL FUNDS

Structural and cohesion funds, the EU's main instrument to increase country's growth potential, are attracting great attention in the NMS. These funds finance investment in physical infrastructure and human resource development (rather than income support) and are therefore designed to permanently increase countries' productive potential and speed up

Fig 4. NMS: Allocations of EU structural funds 2007-2013



Source: National Strategic Reference Frameworks.

real convergence. The committed amounts are large—ranging from an annual average of 1 ½ percent of GDP in Slovenia to over 3 percent of GDP in Hungary—and expectations regarding their positive effects are correspondingly high. Discussions with the European Commission have so far focused on National Strategic Reference Frameworks which define NMS' priorities regarding the use of these funds. These differ substantially (Figure 4), with larger countries like Poland allocating a big portion to regional programs while others (especially the Baltics) dedicating larger share

to human resource development. These plans are expected to be finalized in 2007.

Absorption of structural funds picked up only slowly in some countries, pointing to teething problems. There is a concern in some NMS that funds could be de-committed if they are not drawn within the timeframe set by the EU. Data now available for the first 2 ½ years of membership allow some analysis of the pace and problems of absorption. Demand is high and *contracting* of funds committed under the 2004-06 financial perspective is proceeding swiftly. In most countries, it is likely to be completed by the end of 2006. Slovenia is contracting above EU commitments to ensure utilization of all funds in the event that implementation of some projects slips (Figure 5a). The bottleneck, however, is the *absorption* of EU funds: the administrative capacity to control projects, ensure efficient implementation, provide co-financing, and receive EU refunds after submission of proper documentation. Figure 5b shows that actual absorption, as measured by the submission of requests for interim payments, differs greatly between countries. The Czech Republic and

Poland and the Czech Republic initially did very poorly – possibly because a large portion of funds is distributed to regional programs (Figure 4) - but have recently caught up with the other EU8. Slovenia, Estonia and Hungary, are doing particularly well.

Fig 5a. EU8: Contracting of structural funds (end of December 2006, percent of 2004-06 commitments)

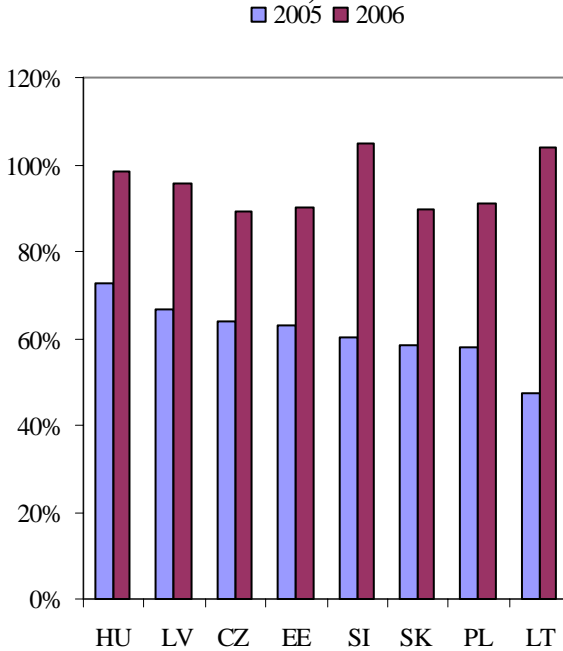
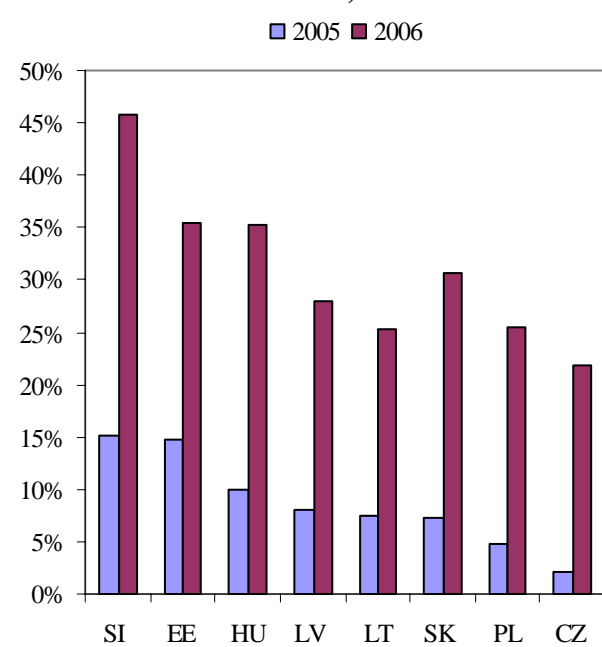


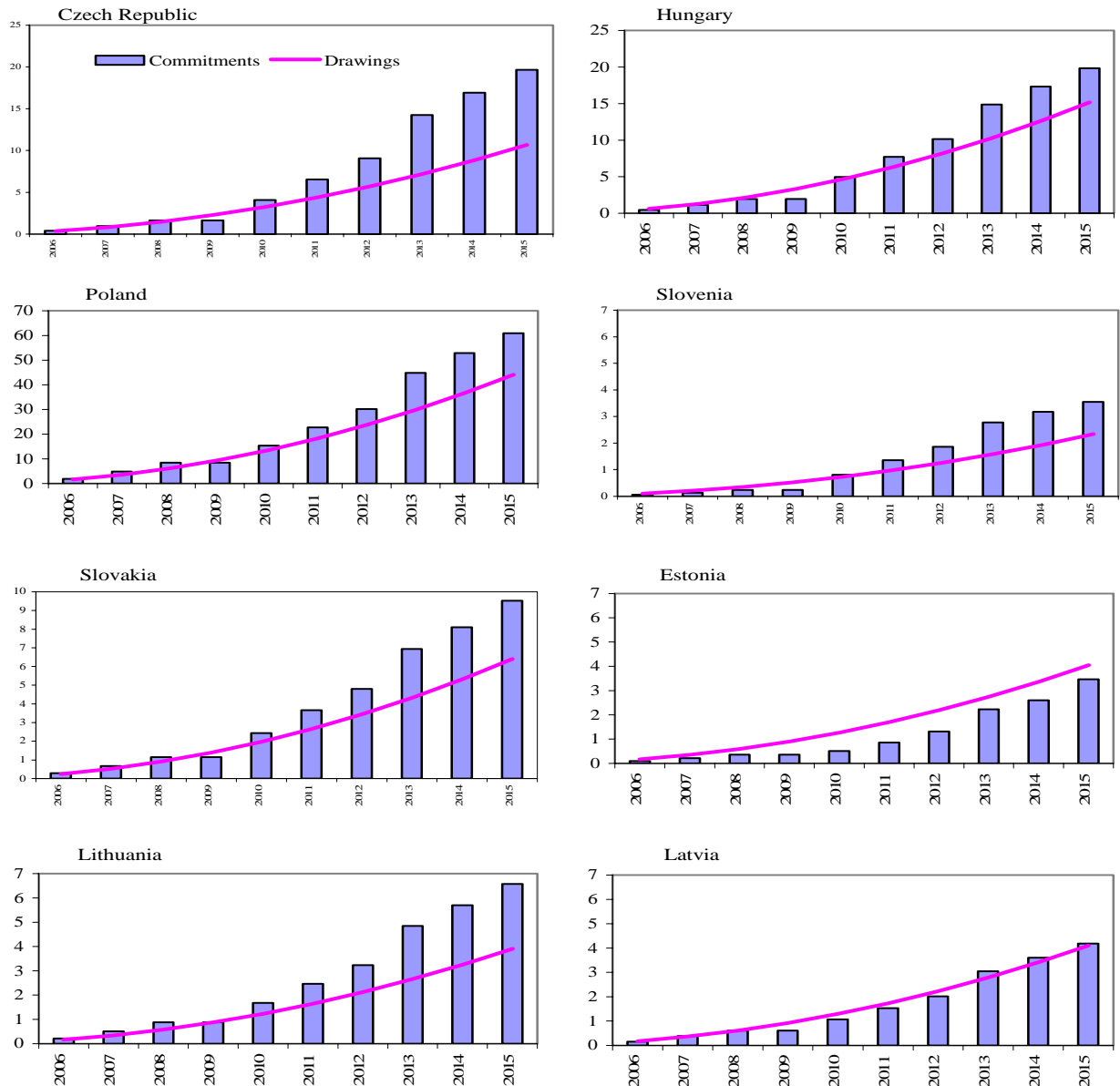
Fig 5b. EU8: Requests for interim payments (end of December 2006, percent of 2004-06 commitments)



Source: National authorities.

Absorbing all structural funds presents an increasingly tall order. Under the so-called n+2 rule, countries need to submit all claims for refunds by end-2008, necessitating an acceleration of past absorption rates if funds are not to be de-committed. The challenge is compounded by the increased allocation under the NFP. An extension of the time permitted between contracting and reimbursement from 2 to 3 years will help, at least until 2011 when the n+3 rule reverts to the present n+2 rule. Figure 6 illustrates this absorption challenge by plotting a trend line of absorption to date (based on 2004-06 actuals) against the cumulative amounts that need to be absorbed so as not to lose funds under the n+2/n+3 rule. Estonia is well on track to meeting this challenge while other countries, especially the Czech Republic, Lithuania, Slovakia and Poland need to sharply accelerate their absorption over the next two years if they are not to lose funds.

Fig 6. EU8: Structural funds--EU commitments and country-specific absorption 1/ (cumulative in Euro billion)



Source: European Commission, national authorities, IMF staff calculation.
1/ Trend extrapolation based on drawings in 2004-06.

Institutional frameworks for managing EU funds can affect the absorption capacity.

General requirements are defined by EU regulations, but countries are free to find their own solutions within this framework. To date, one can identify two distinct models among the NMS:

- The *Baltic countries* centered the management around the Finance Ministry which acts both as paying and managing authority.

- Frameworks in the *Central European countries* are less centralized, with managing and paying authorities assigned to separate institutions (paying authority is always in the Ministry of Finance).

Performance so far provides no conclusive answer on which framework is more efficient. After all, the initial leaders in absorption, Slovenia and Estonia, represent both models. However, there appear to be two general lessons from the NMS' experience: First, initial frameworks were over-regulated, often to prevent misuse of EU funds. Secondly, absorption is helped by a strong central managing authority. Countries have already reacted to this initial experience. For example, Poland in late 2005 created a new ministry of regional development to consolidate the oversight over funds which had previously been located in various ministries and this has greatly speeded up absorption. The Czech Republic, meanwhile, is retaining its disaggregated approach to managing EU funds.

IV. FISCAL IMPLICATIONS

EU-related transfers directly impact countries' fiscal balance. This matters, for two reasons: First, many NMS are struggling to exit from the excessive deficit procedure and aim to meet the Maastricht fiscal criteria for Euro adoption. It is therefore important to identify additional budgetary pressures arising from EU funds⁵. Secondly, EU funds obscure the size and direction of the fiscal stimulus. With data for at least two budget years available, it is now possible to undertake a first ex-post assessment.

Measuring the impact of EU funds on the fiscal accounts is fraught with a number of methodological difficulties. Several problems arise:

- **Accounting method:** The treatment of EU funds differs greatly between countries, mainly because they do not use the accrual-based ESA95 standard in their national budgets but rather stick to cash-based accounting (Box 2). But it is of course the deficit calculated according to ESA95 rules that ultimately matters for determining a country's compliance with the EU's deficit limits.
- **Ultimate user of funds:** Under ESA95 rules, only funds that end up with "government units as final beneficiaries" are recorded as an expenditure and offsetting revenue item in the fiscal accounts (Box 2). In practice, funds for agricultural support virtually all go to the private sector, while those for internal policies and cohesion go to the public sector. The status of the ultimate user is the most uncertain for structural funds, even on an ex post basis (these data are generally not easily available): information obtained from some countries suggest that 45 percent of regional development funds (ERDF), 70 percent of social funds (ESF) and 100 percent of community initiative funds end up in the public sector.

⁵ Prior to EU accession there was a lively debate about whether EU funds increase the make fiscal adjustment more difficult. See Hallet and Keerman (2005) and Sommer (2003).

- **Co-financing:** Under EU rules, countries need to cofinance every project from national resources, at rates ranging from 15 percent for cohesion funds to 25-50 percent for structural funds⁶. For structural funds committed under the NFP, this ratio has been reduced to 15 percent. In practice, the cofinancing amount may be larger, depending on national policy preferences. Co-financing can also in principle come from the private sector (such as commercial loans) but for the time being, it overwhelmingly relies on budgetary resources.
- **Substituted spending:** Member countries are allowed to use EU-funds to substitute national spending for some purposes (e.g., agriculture), but not for others (e.g., structural)—the so-called additionality rules⁷. In practice it is virtually impossible to establish how much a government would have spent on a certain expenditure item if it had not had access to EU funds. Estimates of the fiscal impact of EU funds however, crucially hinge on getting the amount of additionality right. A simplified assumption, used in the paper, is that countries substitute domestic spending to the maximum extent possible under EU rules.

Box 2. Accrual (ESA95) and cash-based fiscal reporting for EU funds

	ESA95	Cash-statistics
Coverage	Only transfers to <i>government</i> beneficiaries are included in general government accounts. If transfers to <i>non-government</i> beneficiaries are intermediated by government agencies, they are reported below-the-line.	Most NMS include all EU transfers above-the-line regardless of the ownership of the final beneficiaries. Poland and Czech Republic, included only transfers to <i>government</i> beneficiaries initially, but changed this to include also transfers to <i>non-government</i> beneficiaries in the government accounts.
EU-financed part of projects	Expenditures and revenues are booked simultaneously, even if spending is financed by government borrowing and refunded by the EU with a delay. Thus, EU transfers for project financing are deficit neutral as expenditures have an automatic revenue counterpart.	Expenditures and revenues are booked when they are incurred. This is not deficit neutral in the short-run due to time lags between expenditures and corresponding refunds. In the longer-run, the fiscal impact should be neutral to the extent that expenditures are fully refunded by the EU.
National co-financing of EU supported projects	Co-financing, required for most EU projects, is booked as expenditure. Other things equal (e.g., no decline in other expenses), this deteriorates fiscal balance.	The same treatment as in ESA95; the usual cash/accrual discrepancies related to different timing of commitments and cash spending may apply.
Budget compensation received from the EU	This form of transfer from the EU is booked as budget revenue when it is received. <i>Ceteris paribus</i> , it improves fiscal	The same treatment as in ESA95.

⁶ For structural funds, the cofinancing requirement is 25 percent for Objective 1 projects (20 percent if the region in a country eligible for cohesion funds) and 50 percent for Objective 2 and 3 projects. Objectives 1-3 are defined in Appendix I.

⁷ The EU determines additionality by comparing spending in a certain category (including cofinancing) with average spending in this category in the preceding two years.

	balance.	
Contributions to the EU budget	Payments to the EU are recorded at the time of their transfer, implying a negative impact on the fiscal balance. Traditional Own Resources (TOR), custom duties on non-EU imports and sugar levies, are not counted as a contribution because they are treated as the EU's budget direct revenue rather than a transfer from member states.	Booked as expenditure when transferred to the EU and thus deteriorates fiscal balance. Except for Hungary, NMS include TOR in their contributions to the EU.
Advances for EU funds	Advances are a part of structural commitments that is paid upfront to provide liquidity for starting EU-supported projects (advances are not related to project implementation). They are an off-budget item and have no fiscal impact.	Baltic states NMS book advances as revenues which temporarily improves the fiscal balance. CEE countries book advances off-budget.

An example for Lithuania illustrates the issues discussed above. It assumes that there is no expenditure substitution, agricultural funds are fully transferred to non-government beneficiaries, and other transfers end up with non-government entities.

Lithuania: Cash and accrual fiscal accounting for EU funds (percent of GDP)

	Cash-based			Accrual (ESA95)		
	2004	2005	2006p	2004	2005	2006p
EU related revenues	2.2	2.8	3.2	0.9	1.0	1.4
Budget compensation	0.2	0.0	0.0	0.2	0.0	0.0
Agriculture	0.3	1.3	1.6	...	...	...
EU refundable transfers	1.7	1.5	1.5	0.7	0.9	1.4
o/w advances	0.5	0.3	...	...	...	...
EU related spending	1.7	3.6	4.3	1.3	2.0	2.4
Contributions to EU	0.7	1.0	1.0	0.7	1.0	1.0
Agriculture	0.1	1.4	1.5	...	...	...
EU refundable transfers	1.0	1.2	1.8	0.7	0.9	1.4
Domestic co-financing	0.3	0.5	0.6	0.3	0.5	0.6
Net fiscal impact	0.2	-1.3	-1.8	-0.7	-1.5	-1.6

Source: Data from the authorities and staff estimates.

The net impact of EU-related transfer on the fiscal balance is negative in all countries.

Using ESA95 accounting, the effect can be estimated by adding unconditional budget transfers received from the EU and substituted spending, and subtracting contributions to the EU and budgetary cofinancing of projects⁸; EU funds that are passed on to government beneficiaries cancel each other out on the revenue and spending side (Text Table 1). As

Text Table 1. Framework for evaluating direct fiscal impact of EU transfers.

(1) EU related receipts
budget compensation
refunds on EU projects/policies 1/
(2) EU related expenditures
contribution to EU
spending on EU projects/policies 1/ national co-financing
(3) Substituted spending 2/
Net fiscal impact (1)-(2)+(3)

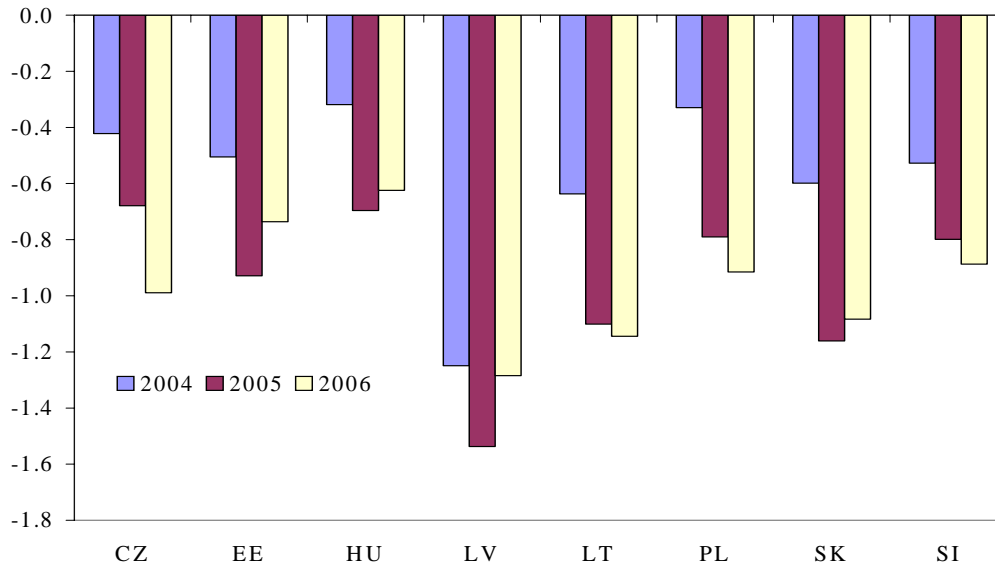
1/ These lines are equal in ESA95.

2/ Including the substitution component of cofinancing.

⁸ There is a question if a part of cofinancing should be treated as substituted spending on the assumption that this spending would have occurred if no EU funds had been available.

shown in Figure 7, EU-related transfers are—all other things being equal—increasingly creating a drag on fiscal deficits. The exact size depends mainly on the assumed amount of substituted spending, but could be in the range of ½ and 1 ½ percent of GDP.

Fig 7. EU8: Net impact of EU-related funds on the fiscal deficit* (ESA95, percent of GDP)



Source: National authorities, Eurostat, IMF staff estimates.

* Substitution as reported by the authorities for HU and SI; maximum possible substitution according to EU rules for other countries.

EU funds also obscure the size and direction of the fiscal stimulus. With both budgetary revenues and expenditures containing substantial transactions with a non-domestic entity (the European Commission), the change in the headline fiscal deficit from one year to the other is no longer a good approximation of the demand impact of fiscal policy. As shown in Text Table 2, payments to and from the EU need to be excluded from both expenditures and revenues. Since net transfers from the EU are increasing in all countries, this generally leads to larger estimates of the fiscal stimulus (or less withdrawal of stimulus) than suggested by the headline balances.

Text Table 2. Fiscal Stimulus due to EU-related transfers in the NMS

	Czech Republic				Estonia 2/			
	2005	2006	2007	2008	2005	2006	2007	2008
Revenue	41.6	41.1	40.2	39.8	35.5	38.3	37.8	36.9
o/w EU funds	0.5	0.5	0.6	1.1	0.9	1.6	1.5	1.7
Expenditure	44.7	45.9	44	43.1	33.2	35.6	36.5	35.5
o/w contribution 1/	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Balance	-3.1	-4.8	-3.8	-3.3	2.3	2.7	1.3	1.4
Adjusted revenue	41.1	40.6	39.6	38.7	34.6	36.7	36.3	35.2
Adjusted expenditure	43.7	44.9	43.0	42.1	32.2	34.6	35.5	34.5
Adjusted balance	-2.5	-4.3	-3.4	-3.4	2.3	2.1	0.8	0.7
Fiscal stimulus:								
headline		1.7	-1.0	-0.5		-0.4	1.4	-0.1
adjusted for EU funds		1.8	-1.0	0.0		0.3	1.2	0.1
	Lithuania 2/				Poland 2/			
	2005	2006	2007	2008	2005	2006	2007	2008
Revenue	33	33.3	33.9	34.5	40.9	41.8	42.4	41.6
o/w EU funds	1.4	1.3	1.9	2.5	0.6	0.7	1.1	1.7
Expenditure	33.6	34.5	34.8	35	43.3	43.7	43.8	42.6
o/w contribution 1/	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Balance	-0.6	-1.2	-0.9	-0.5	-2.4	-1.9	-1.4	-1
Adjusted revenue	31.6	32.0	32.0	32.0	40.3	41.1	41.3	39.9
Adjusted expenditure	32.6	33.5	33.8	34.0	42.3	42.7	42.8	41.6
Adjusted balance	-1.0	-1.5	-1.8	-2.0	-2.1	-1.6	-1.5	-1.7
Fiscal stimulus:								
headline		0.6	-0.3	-0.4		-0.5	-0.5	-0.4
adjusted for EU funds		0.5	0.3	0.2		-0.4	-0.2	0.2
	Hungary				Latvia 2/			
	2005	2006	2007	2008	2005	2006	2007	2008
Revenue	42.2	41.9	43.1	43	35.3	36.1	37.4	37.4
o/w EU funds	0.5	0.6	0.8	1.4	1.3	2.0	1.8	1.8
Expenditure	50	52	49.9	47.2	36.8	37.5	38.8	38.7
o/w contribution 1/	0.8	1.0	1.0	1.0	0.8	1.0	1.0	1.0
Balance	-7.8	-10.1	-6.8	-4.2	-1.5	-1.4	-1.4	-1.3
Adjusted revenue	41.7	41.3	42.3	41.6	34.0	34.1	35.6	35.6
Adjusted expenditure	49.2	51.0	48.9	46.2	36.0	36.5	37.8	37.7
Adjusted balance	-7.4	-9.7	-6.6	-4.6	-2.0	-2.4	-2.2	-2.1
Fiscal stimulus:								
headline		2.3	-3.3	-2.6		-0.1	0	-0.1
adjusted for EU funds		2.3	-3.2	-1.9		0.4	-0.1	-0.1
	Slovakia 2/				Slovenia			
	2005	2006	2007	2008	2005	2006	2007	2008
Revenue	36	34.2	33.4	32.7	45.8	45.1	43.6	42.7
o/w EU funds	0.6	0.8	1.0	1.7	0.8	0.8	0.6	0.8
Expenditure	39.2	37.9	36.3	35.2	47.2	46.6	45.1	44.4
o/w contribution 1/	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Balance	-3.2	-3.7	-2.9	-2.5	-1.4	-1.5	-1.5	-1.7
Adjusted revenue	35.4	33.4	32.4	31.0	45.0	44.3	43.0	41.9
Adjusted expenditure	38.2	36.9	35.3	34.2	46.2	45.6	44.1	43.4
Adjusted balance	-2.8	-3.5	-2.9	-3.2	-1.1	-1.3	-1.1	-1.5
Fiscal stimulus:								
headline		0.5	-0.8	-0.4		0.1	0.0	0.2
adjusted for EU funds		0.7	-0.5	0.3		0.2	-0.2	0.4

"+" = additional stimulus

"-" = withdrawal of stimulus

Source: National authorities, Convergence programs, IMF staff estimates.

1/ Excluding TOR.

2/ Estimated distribution between government and non-government institutions may not exactly correspond to ESA actuals.

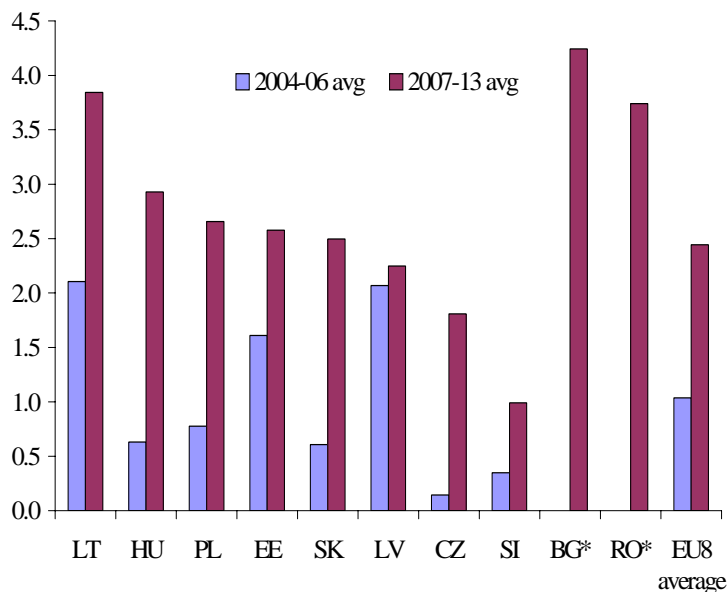
The challenge is to make best use of EU funds without complicating fiscal policy. EU funds provide a unique opportunity to increase investment spending and thus to accelerate growth. But, as shown above, they will *ceteris paribus* contribute to larger deficits—a challenge especially for countries trying to meet the Maastricht fiscal criteria. Even in countries with low deficits or a surplus, EU funds may lead to an unwarranted fiscal stimulus. This is an issue primarily in the Baltics, where economies are already showing signs of overheating.

What can be done to contain the fiscal drag? If countries do not want to permit fiscal loosening, they can use EU-funds to substitute domestic spending to the extent possible under EU rules. Cofinancing would need to be accommodated by reducing spending elsewhere, preferably in current expenditures which are still high in the NMS compared to other emerging market countries. This boils down to a relative increase of capital spending in the budget—after all, the purpose of structural funds. Data for 2003-05 provide little evidence that countries have indeed reduced the share of current spending in order to make room for EU structural funds⁹.

V. BROADER MACROECONOMIC IMPLICATIONS

The broader macroeconomic implications of EU-related transfers depend on actual flows to the economy as a whole. The analysis needs to consider all funds involved (not only those passing through the budget discussed above) as well as countries' contributions to the EU. As discussed in the section III, actual flows will depend on countries' absorption rates and, to a lesser extent, market variables that influence certain receipts from the EU (e.g., agricultural support) and contributions to the EU (e.g., VAT share). Data for the first two

Fig 8. NMS Net inflows of EU funds (percent of GDP, current prices)



Source: National authorities, European Commission, Eurostat, IMF staff estimates.

*Data on preaccession aid are not available.

years of EU membership suggest that all NMS were, as expected, net beneficiaries of EU funds, all be it to very different degrees (Figure 8). The Baltic countries received much larger amounts as percent of GDP than their Central European neighbors (between 1 and 2 percent, as opposed to about ½ percent) reflecting relatively large allocations received in the Copenhagen agreement and, at least in Estonia, early progress in establishing effective institutions to manage absorption. Net transfers from the EU are projected to increase to above 2 percent of GDP per year under the NFP for all NMS except Slovenia. At about 3 ½ percent of GDP, average annual inflows in Romania and

⁹ National top-ups of EU agricultural transfers may be contributing to the persistently high share of current spending.

Bulgaria are projected to be particularly high, reflecting generous allocations under the NFP and only slightly lower expected absorption rates than in the other NMS¹⁰.

A. Aggregate Demand

A number of conceptual issues arise when estimating the overall demand impact. Since net drawings from the EU were positive, it is natural to expect that they had a positive demand impact, even if limited in some countries. Measuring this impact is, however, not a straightforward task. Issues that need to be taken into account include:

- *Advance payments* bear no relation with economic activity and need to be excluded from any demand-side estimate. Given the infant stage of project preparation, these monies remained largely unspent in 2004 and rested on government accounts. Poland stands out as it initially used most of these advances to finance its state budget deficit. Only in 2005 were advances used at a larger scale to make payments to the beneficiaries of structural funds.
- There are other *timing issues*: EU refunds are only received after documentation has been submitted to and approved by the European Commission (a process which may require up to six months), so they reflect economic activity from the past. It would therefore be more accurate to capture the demand impact at the time when beneficiaries sign contracts with suppliers or pay their bills rather than when EU refunds are received. But such data are difficult to obtain.
- As discussed above, it is unclear whether EU funds are *crowding out or augmenting domestic spending*. Structural funds have an explicit additionality rule, but it is not easy to verify in practice.
- Finally, there are *second-round or Keynesian multiplier effects as well as general equilibrium implications* that can only be captured in a broader model setting.

As a first cut, the demand effect of EU-related transfers can be estimated in a simplified framework. Such a back-of-the-envelope approach entirely disregards the timing and second-round effects issues mentioned above. The demand impact can be defined as:

$$D = \alpha(T + NC) - C - A \quad \text{with } \alpha \in <0,1>$$

Where demand (D) depends on transfers from the EU (T), national co-financing (NC), contributions paid (C), and advances received (A). One of the greatest uncertainties is the degree in which EU funds substitute domestic spending that would have taken place anyway.

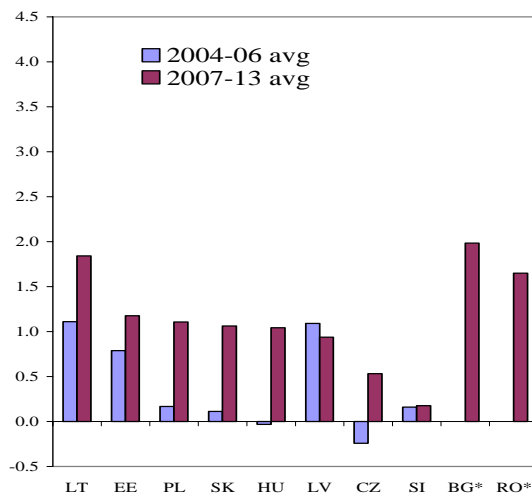
¹⁰ Absorption in Bulgaria and Romania is optimistically projected at 95 percent of committed amounts, compared to around 98 percent in the other NMS (in line with the better performing old member states at this stage). Note that in Romania and Bulgaria a larger part of funds is available as direct budgetary support which can be absorbed very quickly.

We capture this by a crowding-out factor (α), a measure of substitution between EU transfers and domestic spending ($\alpha=1$ if there is no substitution).

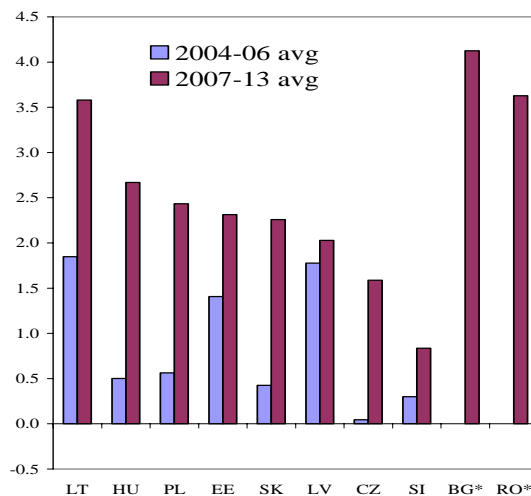
The demand effect of EU-related transfers is mostly positive, but the results depend crucially on how much domestic spending is substituted. Figure 9a shows the results of the above formula if one makes the (admittedly heroic) assumption that all NMS followed official additionality guidelines on EU transfers, i.e., expenditures financed with structural, pre-accession, and rural development funds do not replace domestic spending while other EU transfers (e.g., cohesion, common agriculture policy, Schengen) do. Reflecting the different types of EU funds received, the implied values for α range from 0.55 in Hungary to 0.65 in Estonia, Latvia and Slovakia. In the first 2 ½ years of EU membership, the demand impact is estimated to be rather modest (less than ½ percent GDP) in Central Europe, but higher (up to 1 percent of GDP) in the Baltics where EU commitments and (in Estonia) absorption have been high. In the time period covered by the NFP, the demand impact will be larger in most countries (especially in Hungary), as net EU-related inflows are projected to increase. The demand impact is estimated to be particularly large in Lithuania, Romania and Bulgaria. For illustration, Figure 9b shows the demand effect if all EU funds are assumed to be additional to domestically-funded spending ($\alpha=1$). The effects are now much larger, up to 4 percent of GDP under the NFP.

Fig 9. First-round demand effect of EU funds

9a. Official additionality ($\alpha = 0.55-0.65$)
(percent of GDP, current prices)



9b. Full additionality ($\alpha = 1$)
(percent of GDP, current prices)



Source: National authorities, European Commission, Eurostat, IMF staff estimates.

*Data on pre-accession funds are not available.

As the demand impact of EU funds grows, economic policy may need to adjust. In countries where growth is sluggish, EU funds may provide a welcome boost to economic activity. If, however, the economy is already suffering from signs of overheating, measures to offset the unwarranted demand stimulus generated by EU funds may be in place. In the Baltics, where there is little room for monetary or wage policy, a tightening of non-EU related fiscal spending may be one of the few instruments left.

B. Balance of Payments

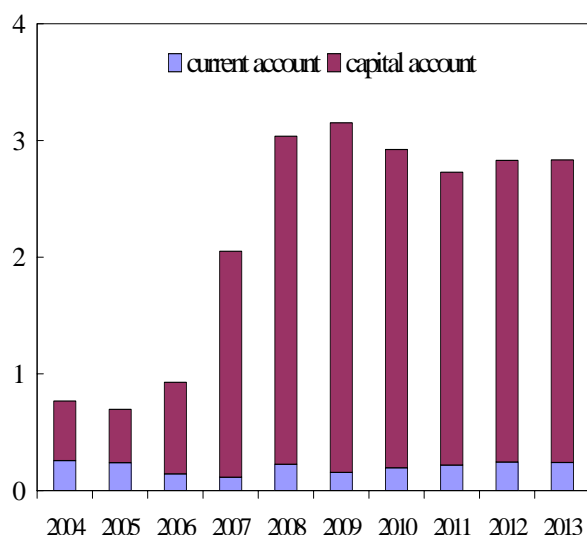
Transfers from and to the EU will have profound effects on the balance of payment in the NMS. In the first instance, these flows will need to be recorded either in the capital or the current account, depending on whether they are used for investment purposes or for current expenditures. The accounting is not always precise, as some funds could finance both kinds of spending. Text Table 3 shows a schematic classification of how various sorts of EU funds enter external sector statistics. The ultimate impact on the balance of payments will depend on important second-round effects (e.g., the import propensity of EU-funded projects and real appreciation pressures). Such an analysis is, however, beyond the scope of this paper.

Text Table 3: Classification of EU-related transfers in the Balance of Payments

	<i>Current account</i>	<i>Capital account</i>
Transfers from the EU:		
Budget compensation		
Agriculture		
Structural funds:		
ESF		
ERDF		
EAGGF (guidance)		
FIFG		
Cohesion funds, ISPA		
Community initiatives, internal policies		
Pre-accession instruments:		
SAPARD		
PHARE		
Contributions to the EU:		
Own resources and TOR		
Contributions to EU institutions		

Source: Statistical Office of The European Communities, *Current and capital transfers from the EU. A proposed treatment*, 1996.

Fig 10.
EU8: BoP impact of EU-related transfers
(in percent of GDP)



Source: National authorities, Eurostat, IMF staff

EU-related transfers complicate the analysis of external sustainability. As shown in Figure 10, EU funds have in the first instance primarily led to an increase of inward capital transfers, a trend that is likely to intensify over the next years as the importance of structural and cohesion funds increases. The current account balance is affected to a much lesser extent (at least initially) because contributions to the EU partly offset agricultural and other current transfers from the EU. These non-debt-creating flows call for some caution in assessing the external position of the NMS by using traditional indicators, such as the overall current account deficit. Even if import-intensive projects lead to a deterioration of the current account in the short term, this may be largely funded by capital transfers from the EU, with a low risk of sudden stops.

External sustainability will also be affected with the real appreciation associated with substantial foreign-exchange denominated inflows.

VI. CONCLUSIONS

EU-related transfers are set to substantially impact the macroeconomic situation in the NMS. We have only focused on the magnitudes and institutional issues involved, disregarding funds intended positive effects on structural change and economic catch-up in the NMS. But even a rough analysis of accounting identities and the first-round impact shows how EU funds can complicate fiscal policy and demand management. For example, we find that EU-related transfers may have *ceteris paribus* led to a fiscal drag of ½ -1 percent of GDP and an additional aggregate demand stimulus of up to 1 percent of GDP. These effects are likely to grow substantially under the NFP for 2007-13, which allocates additional EU resources, especially structural funds, to the NMS. The paper highlights how much any such estimate depends on the extent to which EU funds replace existing spending plans by both the private and the public sector.

The use of EU funds involves policy tradeoffs. Policy makers need to square the circle of exploiting the enormous opportunities offered by the access to “free money” from Brussels while at the same time guarding against any destabilizing macroeconomic side-effects. One aspect highlighted in this paper is the need to restructure budgetary spending to make sure that the co-financing needs associated with EU funds do not lead to an unwarranted fiscal expansion. A fuller analysis of the macroeconomic policy implications of EU funds,

including monetary policy, would require a model that adequately incorporates second-round effects on both the demand and supply side of the economy.

APPENDIX I. EU FUNDS AVAILABLE TO THE NEW MEMBER STATES (NMS)

Agriculture

There are several components of the EU Common Agricultural Policy (CAP) available to the new member states (NMS):

- *Market measures*: purchase of unprocessed food at intervention price and subsidies to non-EU exports;
- *Direct payments*: payments to farmers based on farm area and type of production; in the NMS these are lower than in the EU-15: direct payments were 25 percent of the EU-15 level in 2004 and have been increased by 5 percentage points a year reaching 40 percent in 2007; the increase will be 10 percentage points a year between 2008-13 to equalize payments with the EU-15 by 2013; NMS may top-up direct payments: such top-ups cannot exceed 30 percent of the EU-15 level, and the sum of EU payments and top-ups cannot be higher than payments received by farmers in EU-15;
- *Rural development (EAGGF guarantee section)*: so called CAP pillar II to provide support to farms in less favorable areas (LFA), forestation of land, structural pensions (paid to those who transfer farms to young farmers), food-processing, or training of farmers; EAGGF guarantee and guidance (see below) sections are merged under the 2007-13 financial perspective into the *European Agricultural Fund for Rural Development (EAFRD)*;
- *Fisheries (EFF)*: fund created to support the fisheries sectors under the 2007-13 financial perspective; this task was financed with the structural fund FIG (see below) in 2004-06.

Structural funds

Structural funds finance programs under the following objectives: Objective 1—economic catch-up in less developed regions (GDP per capita less than 75 percent of EU average), Objective 2—economic and social cohesion in areas facing structural difficulties (e.g., rural, fisheries); Objective 3—training and promotion of employment in regions not eligible under Objective 1 (for example, the Prague region in the Czech Republic). These objectives account for 94 percent of structural allocations for the NMS. There are four structural funds to finance the above objectives:

- *European Regional Development Fund (ERDF)*: financing Objectives 1 and 2
- *European Social Fund (ESF)*: financing Objectives 1, 2 and 3
- *European Agricultural Guidance and Guarantee Fund (EAGGF)—guidance section*: financing Objective 1 in agriculture; it is merged with the *guarantee section* under the 2007-13 financial perspective (see above);
- *Financial Instrument for Fisheries Guidance (FIG)*: financing Objective 1 in the fisheries sector. This fund is converted into the European Fund for Fisheries (EFF) and classified together with agricultural funds in the 2007-13 financial perspective.

Other structural funds, so called Community Initiatives, aimed at solving problems common to a number of member states and regions include: *Interreg III* (cross-border cooperation), *Urban II* (innovative strategies in urban areas), *Equal* (combating labor market discrimination), and *Leader +* (rural development initiatives). Community Initiatives accounted for some 5 percent of structural funds in 2004-06.

Cohesion Fund

Cohesion fund: this fund is available to countries with GDP per capita below 90 percent of the EU average. It does not finance programs, but is used to directly support large infrastructure projects in transportation and environment.

Internal policies

NMS receive funding within the existing EU policy priorities mainly for:

- *nuclear safety*: decommissioning of power plants;
- *Schengen*: to strengthen control of the EU border and to comply with the Schengen Treaty.

Pre-accession aid

This financial assistance is aimed at facilitating adjustment to full membership including to build absorption capacity for EU funds; as such it is not a part of the 2004-06 package. However, disbursements of remaining pre-accession resources continue also after accession. There were three pre-accession instruments:

- *Poland and Hungary: Assistance for Restructuring of the Economy (PHARE)*;
- *Instrument for Structural Policies for pre-Accession (ISPA)*; ISPA's role is close to cohesion funds and these two types of funding are usually merged in reporting;
- *Special Accession Program for Agriculture and Rural Development (SAPARD)*.

Budget compensation

Budget compensation: an unconditional payment from the EU budget agreed at the last stage of the accession negotiations. The main goals were to ensure that new members did not become net contributors, and to improve budget liquidity. In part it was financed directly from the EU budget and in part with resources shifted from structural funds allocated to NMS. This is not a regular EU fund, and the NMS which acceded in 2004 will not receive compensation after 2006; Romania and Bulgaria will receive budget compensation until 2009.

APPENDIX 2. EU FUNDS IN NMS – DATA, SOURCES AND CLASSIFICATION

Information on *commitments* is mainly based on data published by the European Commission (EC). The information is expressed at constant 2004 prices. Whenever necessary, data were recalculated at 2004 prices using an annual deflator of two percent (i.e., the same deflator as applied by the EC). Commitments are divided into different structural funds based on the priorities set in national programs. In agriculture, the EU's support to production and exports is assumed to remain unchanged from current levels. In practice, it will depend on actual production, exports and market prices. Direct payments, based on farmed area, are assumed to increase gradually to reach the amounts paid to farmers in the EU-15 countries by 2013. Support under internal policies is assumed to remain unchanged, except allocations for nuclear plants decommissioning.

Payments from the EU in 2004-06 are based on actual data from national authorities and information published by the EC. In case of inconsistencies (e.g. in internal policies), the EC data were used on the assumption that some programs managed by the Commission may not be fully reflected in national statistics. Estimates for 2007-15 are based on information received from the authorities and country-specific absorption capacities. Projected absorption rates are relatively high: NMSs are assumed to perform somewhat better than previous entrants to the EU such as Portugal and Spain. Given the uncertain future of the EU's common agricultural policy, it was assumed that there will be no such payments after 2013. Payments are divided between current and capital component using the classification explained in text Table 3.

Spending is calculated as total payments received from the EU minus advance payments. Advance payments are assumed to be finally settled by 2015. The split between government and non-government beneficiaries reflects estimates based on information received from the Czech Republic, Hungary and Slovenia. The ratio between public and private beneficiaries calculated for these countries were applied to other NMS and kept constant over time.

CZECH REPUBLIC

COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Agriculture	253	542	611	724	779	812	885	948	1010	1067
Market measures	50	120	123	68	68	68	68	68	68	68
Direct payments	0	186	226	279	345	389	457	523	586	646
Rural development	204	235	262	377	366	355	359	358	356	353
o/w EAGGF (guidance)/EAFRD	39	55	69	374	363	351	356	354	352	350
EAGGF (guarantee)/EAFRD	163	178	190	0	0	0	0	0	0	0
FIFG/EFF	2	2	3	3	3	3	3	4	4	4
2. Structural actions	686	753	961	3128	3215	3298	3383	3463	3539	3613
Structural funds	370	493	614	2095	2153	2208	2265	2319	2369	2418
o/w ERDF	257	344	429	1607	1653	1696	1741	1783	1823	1862
ESF	112	150	185	439	452	463	475	486	497	507
Community initiatives	0	0	0	49	49	49	49	50	50	50
Cohesion Funds	316	260	347	1033	1062	1089	1118	1144	1170	1194
3. Internal Policies	157	153	152	146	146	146	146	146	146	146
Existing policies	135	140	146	146	146	146	146	146	146	146
Nuclear safety	0	0	0	0	0	0	0	0	0	0
Institutional building	22	13	7	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0
4. Compensations	331	298	195	0	0	0	0	0	0	0
5. Pre-accession assistance	200	169	108	0	0	0	0	0	0	0
TOTAL	1627	1915	2028	3998	4140	4255	4413	4558	4694	4826

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	108	436	540	583	702	722	828	919	1007	1067	328	151
Market measures	5	68	68	68	68	68	68	68	68	68	0	0
Direct payments	0	208	239	279	345	389	457	523	586	646	0	0
Rural development	103	160	233	236	289	265	303	328	353	353	328	151
o/w EAGGF (guidance)/EAFRD	17	16	52	232	284	262	300	325	350	350	325	150
EAGGF (guarantee)/EAFRD	86	143	180	0	0	0	0	0	0	0	0	0
FIFG/EFF	1	1	1	4	5	3	3	3	3	3	3	1
2. Structural actions	183	188	460	1298	2273	2989	2989	2923	3233	3466	3494	1897
Structural funds	151	115	287	875	1392	1874	1874	1907	2140	2295	2322	1272
o/w ERDF	105	86	238	604	1007	1460	1460	1460	1642	1764	1825	973
ESF	46	29	48	223	336	365	365	398	448	481	498	299
Community initiatives	0	0	0	49	49	49	49	50	50	50	0	0
Cohesion Funds	32	73	173	423	881	1115	1115	1015	1093	1172	1172	625
3. Internal Policies	27	11	36	73	73	73	73	73	73	73	0	0
Existing policies	27	11	36	73	73	73	73	73	73	73	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	332	294	194	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	157	71	37	21	18	0	0	0	0	0	0	0
TOTAL	807	1000	1267	1975	3065	3784	3890	3915	4313	4607	3822	2048

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	653	824	803	909	1129	1164	1264	1384	1517	1611	770	424
Market measures	5	68	68	68	68	68	68	68	68	68	0	0
Direct payments	0	208	239	279	345	389	457	523	586	646	0	0
EAGGF (guidance)/EAFRD	86	143	180	192	235	217	248	269	290	290	269	124
FIFG/EFF	1	1	1	4	5	3	3	3	3	3	3	1
ESF	46	29	48	223	336	365	365	398	448	481	498	299
Community initiatives	0	0	0	49	49	49	49	50	50	50	0	0
Existing policies	27	11	36	73	73	73	73	73	73	73	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
Compensations	332	294	194	0	0	0	0	0	0	0	0	0
Pre-accession assistance	157	71	37	21	18	0	0	0	0	0	0	0
Capital payments	154	175	464	1067	1937	2620	2626	2531	2796	2996	3052	1624
EAGGF (guidance)/EAFRD	17	16	52	40	49	45	52	56	60	60	56	26
ERDF	105	86	238	604	1007	1460	1460	1460	1642	1764	1825	973
Cohesion Funds	32	73	173	423	881	1115	1115	1015	1093	1172	1172	625
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Pre-accession assistance	0	0	0	0	0	0	0	0	0	0	0	0

MEMO ITEMS:												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	17	10		87	87							
FIFG/EFF	1	0		1	1							
ERDF	105	62		243	365	243						
ESF	46	27		66	100	66						
Cohesion Funds	0	0		195	312	312						

Source: European Commission, national authorities, IMF staff estimates.

CZECH REPUBLIC

ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	91	425	540	495	641	722	828	919	1007	1067	328	328
Market measures	5	68	68	68	68	68	68	68	68	68	0	0
Direct payments	0	208	239	279	345	389	457	523	586	646	0	0
Rural development	86	149	233	147	228	265	303	328	353	353	328	328
o/w EAGGF (guidance)/EAFRD	0	6	52	144	223	262	300	325	350	350	325	325
EAGGF (guarantee)/EAFRD	86	143	180	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	1	3	6	3	3	3	3	3	3	3
2. Structural actions	32	99	460	793	1736	2367	2989	2923	3233	3466	3494	3800
Structural funds	0	26	287	566	1168	1564	1874	1907	2140	2295	2322	2356
o/w ERDF	0	24	238	361	809	1216	1460	1460	1642	1764	1825	1825
ESF	0	2	48	156	310	299	365	398	448	481	498	531
Community initiatives	0	0	0	49	49	49	49	50	50	50	0	0
Cohesion Funds	32	73	173	227	568	803	1115	1015	1093	1172	1172	1445
3. Internal Policies	27	11	36	73	73	73	73	73	73	73	0	0
Existing policies	27	11	36	73	73	73	73	73	73	73	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	332	294	194	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	157	71	37	21	18	0	0	0	0	0	0	0
TOTAL	639	900	1267	1382	2468	3162	3890	3915	4313	4607	3822	4129

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	32	85	314	548	1198	1608	2077	2000	2196	2352	2341	2638
Structural funds	0	12	141	320	630	806	962	985	1102	1180	1170	1193
o/w ERDF	0	11	107	162	364	547	657	657	739	794	821	821
ESF	0	1	34	109	217	209	256	279	314	337	349	372
Community initiatives	0	0	0	49	49	49	49	50	50	50	0	0
Cohesion Funds	32	73	173	227	568	803	1115	1015	1093	1172	1172	1445
3. Internal Policies	27	11	36	73	73	73	73	73	73	73	0	0
Existing policies	27	11	36	73	73	73	73	73	73	73	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	332	294	194	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	106	48	25	14	12	0	0	0	0	0	0	0
TOTAL	497	437	569	635	1283	1681	2150	2073	2269	2425	2341	2638

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	91	425	540	495	641	722	828	919	1007	1067	328	328
Market measures	5	68	68	68	68	68	68	68	68	68	0	0
Direct payments	0	208	239	279	345	389	457	523	586	646	0	0
Rural development	86	149	233	147	228	265	303	328	353	353	328	328
o/w EAGGF (guidance)/EAFRD	0	6	52	144	223	262	300	325	350	350	325	325
EAGGF (guarantee)/EAFRD	86	143	180	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	1	3	6	3	3	3	3	3	3	3
2. Structural actions	0	14	146	245	538	759	912	922	1038	1114	1153	1163
Structural funds	0	14	146	245	538	759	912	922	1038	1114	1153	1163
o/w ERDF	0	13	131	198	445	669	803	803	903	970	1004	1004
ESF	0	0	15	47	93	90	110	119	134	144	149	159
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	51	23	12	7	6	0	0	0	0	0	0	0
TOTAL	142	462	698	747	1185	1481	1741	1841	2045	2182	1481	1491

Source: European Commission, national authorities, IMF staff estimates.

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COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
1. Agriculture	77	128	143	164	170	175	186	195	205	608	
Market measures	15	37	38	38	38	38	38	38	38	38	
Direct payments	0	19	24	27	34	41	48	55	62	68	
Rural development	62	72	81	99	98	96	100	102	105	501	
o/w EAGGF (guidance)/EAFRD	13	18	24	90	88	87	90	91	93	488	
EAGGF (guarantee)/EAFRD	45	49	53	0	0	0	0	0	0	0	
FIFG/EFF	4	4	4	9	9	9	11	11	12	13	
2. Structural actions	182	188	244	57	370	562	621	487	407	535	
Structural funds	78	102	130	52	265	361	389	331	273	375	
o/w ERDF	55	73	93	34	214	296	318	265	216	266	
ESF	19	25	31	11	45	59	65	60	51	102	
Community initiatives	4	5	5	7	7	7	7	7	7	7	
Cohesion Funds	104	86	115	4	105	201	232	155	134	161	
3. Internal Policies	49	47	45	17	17	17	17	17	17	17	
Existing policies	16	17	17	17	17	17	17	17	17	17	
Nuclear safety	0	0	0	0	0	0	0	0	0	0	
Institutional building	8	5	2	0	0	0	0	0	0	0	
Schengen	25	25	25	0	0	0	0	0	0	0	
4. Compensations	17	3	3	0	0	0	0	0	0	0	
5. Pre-accession assistance	74	63	39	0	0	0	0	0	0	0	
TOTAL	400	428	474	238	557	754	824	699	629	1160	

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	23	97	120	123	165	172	195	213	317	238	143	66
Market measures	0	6	9	16	16	16	16	16	16	16	0	0
Direct payments	0	21	24	27	34	41	48	55	62	68	0	0
Rural development	22	70	88	80	115	116	132	143	154	154	143	66
o/w EAGGF (guidance)/EAFRD	6	21	29	72	108	108	123	133	144	144	133	62
EAGGF (guarantee)/EAFRD	15	48	53	0	0	0	0	0	0	0	0	0
FIFG/EFF	1	1	6	8	7	8	8	10	10	10	10	4
2. Structural actions	54	77	181	300	363	376	381	396	632	445	455	258
Structural funds	30	44	90	160	192	245	267	267	277	297	307	179
o/w ERDF	23	39	75	123	129	193	209	209	217	233	241	137
ESF	8	5	15	30	55	45	51	51	53	57	59	35
Community initiatives	0	0	0	7	7	7	7	7	7	7	7	7
Cohesion Funds	23	33	91	139	171	131	114	129	139	149	149	79
3. Internal Policies	35	41	50	17	17	17	17	17	17	17	0	0
Existing policies	35	41	50	17	17	17	17	17	17	17	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	17	3	3	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	65	17	11	2	0	0	0	0	0	0	0	0
TOTAL	193	235	365	442	545	565	593	626	664	701	599	324

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	141	142	170	156	210	206	230	245	262	272	165	88
Market measures	0	6	9	16	16	16	16	16	16	16	0	0
Direct payments	0	21	24	27	34	41	48	55	62	68	0	0
EAGGF (guarantee)/EAFRD	15	48	53	49	73	73	83	90	97	97	90	42
FIFG/EFF	1	1	6	8	7	8	8	10	10	10	10	4
ESF	8	5	15	30	55	45	51	51	53	57	59	35
Community initiatives	0	0	0	7	7	7	7	7	7	7	7	7
Existing policies	35	41	50	17	17	17	17	17	17	17	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
Compensations	17	3	3	0	0	0	0	0	0	0	0	0
Pre-accession assistance	65	17	11	2	0	0	0	0	0	0	0	0
Capital payments	52	93	195	286	335	359	363	381	402	428	433	236
EAGGF (guidance)/EAFRD	6	21	29	23	35	35	40	43	46	46	43	20
ERDF	23	39	75	123	129	193	209	209	217	233	241	137
Cohesion Funds	23	33	91	139	171	131	114	129	139	149	149	79
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Pre-accession assistance	0	0	0	0	0	0	0	0	0	0	0	0

MEMO ITEMS:												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	6	3		36	36							
FIFG/EFF	1	1		3	3							
ERDF	23	13		32	48	32						
ESF	8	5		8	12	8						
Cohesion Funds	0	0		25	40	40						

Source: European Commission, national authorities, IMF staff estimates.

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ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	16	93	120	85	138	172	195	213	231	238	143	143
Market measures	0	6	9	16	16	16	16	16	16	16	0	0
Direct payments	0	21	24	27	34	41	48	55	62	68	0	0
Rural development	15	66	88	42	88	116	132	143	154	154	143	143
o/w EAGGF (guidance)/EAFRD	0	17	29	36	81	108	123	133	144	144	133	133
EAGGF (guarantee)/EAFRD	15	48	53	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	1	6	6	7	8	8	10	10	10	10	10
2. Structural actions	23	59	181	235	311	296	381	396	415	445	455	502
Structural funds	0	26	90	120	180	205	267	267	277	297	307	319
o/w ERDF	0	26	75	91	117	161	209	209	217	233	241	249
ESF	0	0	15	23	56	37	51	51	53	57	59	63
Community initiatives	0	0	0	7	7	7	7	7	7	7	7	7
Cohesion Funds	23	33	91	115	131	92	114	129	139	149	149	183
3. Internal Policies	35	41	50	17	17	17	17	17	17	17	0	0
Existing policies	35	41	50	17	17	17	17	17	17	17	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	17	3	3	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	65	17	11	2	0	0	0	0	0	0	0	0
TOTAL	156	213	365	338	466	486	593	626	664	701	599	645

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	23	45	135	178	230	197	250	265	280	300	305	346
Structural funds	0	12	44	63	98	105	136	136	141	151	156	163
o/w ERDF	0	12	34	41	53	72	94	94	98	105	109	112
ESF	0	0	11	16	39	26	36	36	37	40	41	44
Community initiatives	0	0	0	7	7	7	7	7	7	7	7	7
Cohesion Funds	23	33	91	115	131	92	114	129	139	149	149	183
3. Internal Policies	35	41	50	17	17	17	17	17	17	17	0	0
Existing policies	35	41	50	17	17	17	17	17	17	17	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	17	3	3	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	43	11	7	1	0	0	0	0	0	0	0	0
TOTAL	119	100	196	196	247	214	268	282	297	317	305	346

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	16	93	120	85	138	172	195	213	231	238	143	143
Market measures	0	6	9	16	16	16	16	16	16	16	0	0
Direct payments	0	21	24	27	34	41	48	55	62	68	0	0
Rural development	15	66	88	42	88	116	132	143	154	154	143	143
o/w EAGGF (guidance)/EAFRD	0	17	29	36	81	108	123	133	144	144	133	133
EAGGF (guarantee)/EAFRD	15	48	53	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	1	6	6	7	8	8	10	10	10	10	10
2. Structural actions	0	14	46	57	81	100	130	130	135	145	150	156
Structural funds	0	14	46	57	81	100	130	130	135	145	150	156
o/w ERDF	0	14	41	50	64	88	115	115	119	128	133	137
ESF	0	0	5	7	17	11	15	15	16	17	18	19
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	21	6	4	0	0	0	0	0	0	0	0	0
TOTAL	37	113	170	142	219	272	326	344	367	384	293	299

Source: European Commission, national authorities, IMF staff estimates.

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COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Agriculture	335	776	876	1109	1167	1221	1322	1446	1550	1653
Market measures	70	168	168	168	168	168	168	168	168	168
Direct payments	0	292	349	399	498	598	698	797	897	997
Rural development	265	315	360	542	501	456	456	481	485	489
o/w EAGGF (guidance)/EAFRD	83	116	147	538	497	452	452	477	481	484
EAGGF (guarantee)/EAFRD	181	198	211	0	0	0	0	0	0	0
FIFG/EFF	1	2	2	5	4	4	4	4	5	5
2. Structural actions after capping	786	876	1131	2861	2983	3114	3219	3294	3406	3518
Structural funds	411	567	718	2533	2296	2033	1911	1951	2017	2084
o/w ERDF	289	404	514	1937	1752	1547	1452	1483	1534	1585
ESF	94	131	167	548	496	438	411	419	434	448
Community initiatives	28	31	38	48	49	49	49	49	49	50
Cohesion Funds	376	309	413	328	687	1080	1308	1343	1389	1434
3. Internal Policies	211	205	202	120	120	130	140	150	160	180
Existing policies	129	134	139	120	120	130	140	150	160	180
Nuclear safety	0	0	0	0	0	0	0	0	0	0
Institutional building	28	17	8	0	0	0	0	0	0	0
Schengen	54	54	54	0	0	0	0	0	0	0
4. Compensations	171	31	31	0	0	0	0	0	0	0
5. Pre-accession assistance	259	220	137	0	0	0	0	0	0	0
TOTAL	1764	2107	2377	4090	4270	4465	4681	4891	5116	5351

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	96	715	837	945	1029	1124	1275	1408	1542	1642	443	205
Market measures	3	194	159	168	168	168	168	168	168	168	0	0
Direct payments	0	309	371	399	498	598	698	797	897	997	0	0
Rural development	93	212	308	379	363	358	409	443	477	477	443	205
o/w EAGGF (guidance)/EAFRD	31	42	132	375	358	355	406	439	473	473	439	203
EAGGF (guarantee)/EAFRD	61	169	176	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	4	5	3	4	4	4	4	4	2
2. Structural actions	209	296	525	1343	2263	2855	2845	2916	3064	3285	3308	1966
Structural funds	168	204	341	886	1323	1755	1932	1932	2004	2149	2172	1247
o/w ERDF	124	157	269	648	969	1355	1468	1468	1524	1637	1693	960
ESF	44	47	72	189	306	351	415	415	431	463	479	287
Community initiatives	0	0	0	48	49	49	49	49	49	50	0	0
Cohesion Funds	42	93	184	457	940	1100	913	984	1060	1136	1136	719
3. Internal Policies	92	100	98	108	108	117	126	135	144	162	0	0
Existing policies	37	46	45	108	108	117	126	135	144	162	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	55	54	53	0	0	0	0	0	0	0	0	0
4. Compensations	170	33	29	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	139	160	79	27	0	0	0	0	0	0	0	0
TOTAL	707	1305	1569	2422	3400	4096	4245	4459	4750	5089	3751	2171

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	510	1014	983	1191	1371	1522	1728	1860	2008	2157	775	424
Market measures	3	194	159	168	168	168	168	168	168	168	0	0
Direct payments	0	309	371	399	498	598	698	797	897	997	0	0
EAGGF (guarantee)/EAFRD	61	169	176	249	238	236	269	292	314	314	292	135
FIFG/EFF	0	0	0	4	5	3	4	4	4	4	4	2
ESF	44	47	72	189	306	351	415	415	431	463	479	287
Community initiatives	0	0	0	48	49	49	49	49	49	50	0	0
Existing policies	37	46	45	108	108	117	126	135	144	162	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	55	54	53	0	0	0	0	0	0	0	0	0
Compensations	170	33	29	0	0	0	0	0	0	0	0	0
Pre-accession assistance	139	160	79	27	0	0	0	0	0	0	0	0
Capital payments	197	291	586	1231	2029	2574	2517	2599	2743	2931	2977	1747
EAGGF (guidance)/EAFRD	31	42	132	126	120	119	136	148	159	159	148	68
ERDF	124	157	269	648	969	1355	1468	1468	1524	1637	1693	960
Cohesion Funds	42	93	184	457	940	1100	913	984	1060	1136	1136	719
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Pre-accession assistance	0	0	0	0	0	0	0	0	0	0	0	0

MEMO ITEMS:												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	31	19		118	118							
FIFG/EFF	0	0		1	1							
ERDF	124	73		226	339	226						
ESF	44	26		64	96	64						
Cohesion Funds	0	0		189	303	303						

Source: European Commission, national authorities, IMF staff estimates.

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ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	64	696	837	826	961	1124	1275	1408	1542	1642	443	443
Market measures	3	194	159	168	168	168	168	168	168	168	0	0
Direct payments	0	309	371	399	498	598	698	797	897	997	0	0
Rural development	61	193	308	259	294	358	409	443	477	477	443	443
o/w EAGGF (guidance)/EAFRD	0	23	132	256	290	355	406	439	473	473	439	439
EAGGF (guarantee)/EAFRD	61	169	176	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	3	4	3	4	4	4	4	4	4
2. Structural actions	42	197	525	864	1793	2262	2845	2916	3064	3285	3308	3775
Structural funds	0	104	341	596	1156	1465	1932	1932	2004	2149	2172	2261
o/w ERDF	0	84	269	422	827	1129	1468	1468	1524	1637	1693	1750
ESF	0	20	72	125	280	287	415	415	431	463	479	511
Community initiatives	0	0	0	48	49	49	49	49	49	50	0	0
Cohesion Funds	42	93	184	267	637	797	913	984	1060	1136	1136	1514
3. Internal Policies	92	100	98	108	108	117	126	135	144	162	0	0
Existing policies	37	46	45	108	108	117	126	135	144	162	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	55	54	53	0	0	0	0	0	0	0	0	0
4. Compensations	170	33	29	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	139	160	79	27	0	0	0	0	0	0	0	0
TOTAL	508	1187	1569	1824	2861	3503	4245	4459	4750	5089	3751	4218

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	42	145	356	594	1254	1555	1913	1984	2097	2246	2233	2659
Structural funds	0	52	171	326	617	758	1000	1000	1037	1110	1097	1145
o/w ERDF	0	38	121	190	372	508	660	660	686	737	762	787
ESF	0	14	50	88	196	201	291	291	302	324	335	358
Community initiatives	0	0	0	48	49	49	49	49	49	50	0	0
Cohesion Funds	42	93	184	267	637	797	913	984	1060	1136	1136	1514
3. Internal Policies	92	100	98	108	108	117	126	135	144	162	0	0
Existing policies	37	46	45	108	108	117	126	135	144	162	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	55	54	53	0	0	0	0	0	0	0	0	0
4. Compensations	170	33	29	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	94	108	53	18	0	0	0	0	0	0	0	0
TOTAL	398	386	536	720	1362	1672	2039	2119	2241	2408	2233	2659

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	64	696	837	826	961	1124	1275	1408	1542	1642	443	443
Market measures	3	194	159	168	168	168	168	168	168	168	0	0
Direct payments	0	309	371	399	498	598	698	797	897	997	0	0
Rural development	61	193	308	259	294	358	409	443	477	477	443	443
o/w EAGGF (guidance)/EAFRD	0	23	132	256	290	355	406	439	473	473	439	439
EAGGF (guarantee)/EAFRD	61	169	176	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	3	4	3	4	4	4	4	4	4
2. Structural actions	0	52	170	270	539	707	932	932	968	1039	1075	1116
Structural funds	0	52	170	270	539	707	932	932	968	1039	1075	1116
o/w ERDF	0	46	148	232	455	621	807	807	838	900	931	962
ESF	0	6	22	38	84	86	125	125	129	139	144	153
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	46	52	26	9	0	0	0	0	0	0	0	0
TOTAL	110	801	1033	1104	1500	1831	2206	2340	2510	2681	1518	1559

Source: European Commission, national authorities, IMF staff estimates.

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COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Agriculture and fishery	139	201	218	209	213	215	227	236	244	253
Market measures	10	24	26	26	26	26	26	26	26	26
Direct payments	0	28	34	39	50	60	70	80	90	100
Rural development	129	149	157	144	137	129	131	130	128	127
o/w EAGGF (guidance)/EAFRD	24	32	33	136	128	122	123	122	121	119
EAGGF (guarantee)/EAFRD	99	108	115	0	0	0	0	0	0	0
FIFG/EFF	6	9	9	8	8	8	8	8	8	7
2. Structural actions	328	343	359	479	512	547	582	618	653	689
Structural funds	136	188	196	308	330	353	377	400	424	448
o/w ERDF	95	134	145	255	273	292	312	331	351	370
ESF	36	47	42	53	57	61	65	69	73	78
Community initiatives	6	7	9	12	12	12	11	11	11	11
Cohesion Funds	192	155	163	159	170	182	194	206	218	231
3. Internal Policies	67	64	62	32	32	32	32	32	32	32
Existing policies	30	31	32	32	32	32	32	32	32	32
Nuclear safety	0	0	0	0	0	0	0	0	0	0
Institutional building	12	7	4	0	0	0	0	0	0	0
Schengen	26	26	26	0	0	0	0	0	0	0
4. Compensations	22	4	4	0	0	0	0	0	0	0
5. Pre-accession assistance	109	95	57	0	0	0	0	0	0	0
TOTAL	665	706	699	720	757	794	842	885	930	974

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	45	156	173	127	155	162	186	205	225	235	120	56
Market measures	0	2	5	5	5	5	5	5	5	5	0	0
Direct payments	0	25	28	39	50	60	70	80	90	100	0	0
Rural development	45	130	141	83	99	97	111	120	130	130	120	56
o/w EAGGF (guidance)/EAFRD	9	31	38	73	91	91	104	113	122	122	113	52
EAGGF (guarantee)/EAFRD	33	89	98	0	0	0	0	0	0	0	0	0
FIFG/EFF	2	9	4	10	8	6	7	7	8	8	7	3
2. Structural actions	52	129	233	454	529	485	489	531	561	600	605	347
Structural funds	52	50	88	244	303	300	325	354	370	396	401	218
o/w ERDF	38	35	54	174	235	240	262	284	295	317	328	175
ESF	13	16	30	57	56	48	53	59	64	69	73	43
Community initiatives	1	0	5	12	12	12	11	11	11	11	0	0
Cohesion Funds	0	79	144	210	226	185	163	177	190	204	204	129
3. Internal Policies	37	26	59	29	29	29	29	29	29	29	0	0
Existing policies	37	26	31	29	29	29	29	29	29	29	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	3	0	0	0	0	0	0	0	0	0
Schengen	0	0	25	0	0	0	0	0	0	0	0	0
4. Compensations	21	4	4	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	104	59	45	11	0	0	0	0	0	0	0	0
TOTAL	259	374	514	621	713	676	704	766	814	864	725	403

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	211	229	278	217	227	227	251	275	297	311	164	85
Market measures	0	2	5	5	5	5	5	5	5	5	0	0
Direct payments	0	25	28	39	50	60	70	80	90	100	0	0
EAGGF (guarantee)/EAFRD	33	89	98	54	67	67	77	83	90	90	83	39
FIFG/EFF	2	9	4	10	8	6	7	7	8	8	7	3
ESF	13	16	30	57	56	48	53	59	64	69	73	43
Community initiatives	1	0	5	12	12	12	11	11	11	11	0	0
Existing policies	37	26	31	29	29	29	29	29	29	29	0	0
Institutional building	0	0	3	0	0	0	0	0	0	0	0	0
Schengen	0	0	25	0	0	0	0	0	0	0	0	0
Compensations	21	4	4	0	0	0	0	0	0	0	0	0
Pre-accession assistance	104	59	45	11	0	0	0	0	0	0	0	0
Capital payments	47	144	236	404	486	449	453	490	517	553	561	318
EAGGF (guidance)/EAFRD	9	31	38	19	24	24	27	30	32	32	30	14
ERDF	38	35	54	174	235	240	262	284	295	317	328	175
Cohesion Funds	0	79	144	210	226	185	163	177	190	204	204	129
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Pre-accession assistance	0	0	0	0	0	0	0	0	0	0	0	0

MEMO ITEMS:

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	9	6		30	30							
FIFG/EFF	2	1		2	2							
ERDF	38	22		44	66	44						
ESF	13	8		9	14	9						
Cohesion Funds	0	0		34	54	54						

Source: European Commission, national authorities, IMF staff estimates.

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ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	33	149	173	95	141	162	186	205	225	235	120	120
Market measures	0	2	5	5	5	5	5	5	5	5	0	0
Direct payments	0	25	28	39	50	60	70	80	90	100	0	0
Rural development	33	123	141	50	86	97	111	120	130	130	120	120
o/w EAGGF (guidance)/EAFRD	0	26	38	42	76	91	104	113	122	122	113	113
EAGGF (guarantee)/EAFRD	33	89	98	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	8	4	8	10	6	7	7	8	8	7	7
2. Structural actions	1	99	233	367	477	378	489	531	561	600	605	675
Structural funds	1	20	88	191	305	247	325	354	370	396	401	403
o/w ERDF	0	12	54	131	230	197	262	284	295	317	328	328
ESF	0	8	30	48	62	39	53	59	64	69	73	75
Community initiatives	1	0	5	12	12	12	11	11	11	11	0	0
Cohesion Funds	0	79	144	176	172	130	163	177	190	204	204	272
3. Internal Policies	37	26	59	29	29	29	29	29	29	29	0	0
Existing policies	37	26	31	29	29	29	29	29	29	29	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	3	0	0	0	0	0	0	0	0	0
Schengen	0	0	25	0	0	0	0	0	0	0	0	0
4. Compensations	21	4	4	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	104	59	45	11	0	0	0	0	0	0	0	0
TOTAL	196	337	514	502	646	569	704	766	814	864	725	795

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	1	90	194	281	331	258	329	357	379	405	403	472
Structural funds	1	11	50	105	159	127	166	180	189	201	199	200
o/w ERDF	0	5	24	59	104	88	118	128	133	143	147	147
ESF	0	6	21	34	44	27	37	42	45	48	51	53
Community initiatives	1	0	5	12	12	12	11	11	11	11	0	0
Cohesion Funds	0	79	144	176	172	130	163	177	190	204	204	272
3. Internal Policies	37	26	59	29	29	29	29	29	29	29	0	0
Existing policies	37	26	31	29	29	29	29	29	29	29	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	3	0	0	0	0	0	0	0	0	0
Schengen	0	0	25	0	0	0	0	0	0	0	0	0
4. Compensations	21	4	4	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	70	40	30	8	0	0	0	0	0	0	0	0
TOTAL	129	159	287	317	360	287	358	386	408	434	403	472

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	33	149	173	95	141	162	186	205	225	235	120	120
Market measures	0	2	5	5	5	5	5	5	5	5	0	0
Direct payments	0	25	28	39	50	60	70	80	90	100	0	0
Rural development	33	123	141	50	86	97	111	120	130	130	120	120
o/w EAGGF (guidance)/EAFRD	0	26	38	42	76	91	104	113	122	122	113	113
EAGGF (guarantee)/EAFRD	33	89	98	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	8	4	8	10	6	7	7	8	8	7	7
2. Structural actions	0	9	38	86	145	120	160	174	181	195	202	203
Structural funds	0	9	38	86	145	120	160	174	181	195	202	203
o/w ERDF	0	7	29	72	127	108	144	156	162	174	180	180
ESF	0	2	9	14	19	12	16	18	19	21	22	23
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	34	19	15	4	0	0	0	0	0	0	0	0
TOTAL	67	178	226	185	286	282	346	379	406	429	322	323

Source: European Commission, national authorities, IMF staff estimates.

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COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Agriculture	208	343	381	440	450	460	489	514	537	562
Market measures	26	62	65	65	65	65	65	65	65	65
Direct payments	0	75	93	106	132	159	185	211	238	264
Rural development	182	206	223	269	252	236	239	237	234	232
o/w EAGGF (guidance)/EAFRD	32	41	47	246	230	215	217	216	214	212
EAGGF (guarantee)/EAFRD	147	161	171	0	0	0	0	0	0	0
FIFG/EFF	3	4	5	23	22	22	21	21	20	20
2. Structural actions	395	437	544	723	770	817	866	916	969	1020
Structural funds	186	265	325	536	532	532	556	589	614	647
o/w ERDF	141	201	228	407	404	405	423	448	467	492
ESF	37	52	83	128	127	127	133	141	147	155
Community initiatives	8	11	14	11	13	14	14	14	15	15
Cohesion Funds	209	172	219	176	225	271	296	313	340	358
3. Internal Policies	202	215	178	163	163	163	163	163	163	163
Existing policies	33	34	35	35	35	35	35	35	35	35
Nuclear safety	105	105	105	128	128	128	128	128	128	128
Institutional building	15	9	5	0	0	0	0	0	0	0
Schengen	49	67	33	0	0	0	0	0	0	0
4. Compensations	38	7	7	0	0	0	0	0	0	0
5. Pre-accession assistance	140	121	73	0	0	0	0	0	0	0
TOTAL	984	1124	1182	1326	1383	1441	1518	1593	1669	1745

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	63	272	368	341	392	402	454	498	541	568	221	102
Market measures	1	45	65	65	65	65	65	65	65	65	0	0
Direct payments	0	80	93	106	132	159	185	211	238	264	0	0
Rural development	62	147	210	170	195	178	204	221	238	238	221	102
o/w EAGGF (guidance)/EAFRD	12	7	37	157	177	163	186	201	217	217	201	93
EAGGF (guarantee)/EAFRD	49	135	171	0	0	0	0	0	0	0	0	0
FIFG/EFF	1	4	1	13	18	16	18	19	21	21	19	9
2. Structural actions	95	177	162	542	793	843	760	752	833	893	898	498
Structural funds	78	96	82	343	448	475	485	495	556	596	601	330
o/w ERDF	59	78	70	261	341	365	365	365	411	442	457	244
ESF	18	11	12	71	94	96	106	115	129	139	144	86
Community initiatives	1	7	1	11	13	14	14	14	15	15	0	0
Cohesion Funds	18	81	80	199	346	368	275	257	277	297	297	168
3. Internal Policies	114	143	145	136	136	264	163	163	163	163	128	128
Existing policies	64	72	75	35	35	35	35	35	35	35	0	0
Nuclear safety	0	4	9	101	101	228	128	128	128	128	128	128
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	50	67	61	0	0	0	0	0	0	0	0	0
4. Compensations	39	7	7	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	165	33	22	49	0	0	0	0	0	0	0	0
TOTAL	477	631	704	1068	1322	1509	1378	1413	1537	1623	1246	728

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	388	461	508	486	510	525	584	635	691	727	337	175
Market measures	1	45	65	65	65	65	65	65	65	65	0	0
Direct payments	0	80	93	106	132	159	185	211	238	264	0	0
EAGGF (guidance)/EAFRD	49	135	171	135	153	140	160	173	187	187	173	80
FIFG/EFF	1	4	1	13	18	16	18	19	21	21	19	9
ESF	18	11	12	71	94	96	106	115	129	139	144	86
Community initiatives	1	7	1	11	13	14	14	14	15	15	0	0
Existing policies	64	72	75	35	35	35	35	35	35	35	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	50	67	61	0	0	0	0	0	0	0	0	0
Compensations	39	7	7	0	0	0	0	0	0	0	0	0
Pre-accession assistance	165	33	22	49	0	0	0	0	0	0	0	0
Capital payments	89	170	196	582	811	984	794	779	846	897	910	553
EAGGF (guidance)/EAFRD	12	7	37	22	25	23	26	28	30	30	28	13
ERDF	59	78	70	261	341	365	365	365	411	442	457	244
Cohesion Funds	18	81	80	199	346	368	275	257	277	297	297	168
Nuclear safety	0	4	9	101	101	228	128	128	128	128	128	128
Pre-accession assistance	0	0	0	0	0	0	0	0	0	0	0	0

MEMO ITEMS:

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	12	7		54	54							
FIFG/EFF	1	1		5	5							
ERDF	58	34		61	91	61						
ESF	18	11		19	29	19						
Cohesion Funds	0	0		49	79	79						

Source: European Commission, national authorities, IMF staff estimates.

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ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	50	264	368	282	355	402	454	498	541	568	221	221
Market measures	1	45	65	65	65	65	65	65	65	65	0	0
Direct payments	0	80	93	106	132	159	185	211	238	264	0	0
Rural development	49	139	210	110	157	178	204	221	238	238	221	221
o/w EAGGF (guidance)/EAFRD	0	0	37	102	143	163	186	201	217	217	201	201
EAGGF (guarantee)/EAFRD	49	135	171	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	3	1	8	15	16	18	19	21	21	19	19
2. Structural actions	19	132	162	413	715	684	760	752	833	893	898	986
Structural funds	2	51	82	263	449	395	485	495	556	596	601	610
o/w ERDF	0	44	70	200	342	305	365	365	411	442	457	457
ESF	0	0	12	52	94	77	106	115	129	139	144	153
Community initiatives	1	7	1	11	13	14	14	14	15	15	0	0
Cohesion Funds	18	81	80	150	266	288	275	257	277	297	297	376
3. Internal Policies	114	143	145	136	136	264	163	163	163	163	128	128
Existing policies	64	72	75	35	35	35	35	35	35	35	0	0
Nuclear safety	0	4	9	101	101	228	128	128	128	128	128	128
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	50	67	61	0	0	0	0	0	0	0	0	0
4. Compensations	39	7	7	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	165	33	22	49	0	0	0	0	0	0	0	0
TOTAL	387	578	704	879	1205	1350	1378	1413	1537	1623	1246	1335

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	19	108	120	287	499	493	528	517	568	608	603	689
Structural funds	1	27	40	137	232	205	253	259	291	311	306	313
o/w ERDF	0	20	31	90	154	137	164	164	185	199	206	206
ESF	0	0	8	36	66	54	74	81	91	97	101	107
Community initiatives	1	7	1	11	13	14	14	14	15	15	0	0
Cohesion Funds	18	81	80	150	266	288	275	257	277	297	297	376
3. Internal Policies	114	143	145	136	136	264	163	163	163	163	128	128
Existing policies	64	72	75	35	35	35	35	35	35	35	0	0
Nuclear safety	0	4	9	101	101	228	128	128	128	128	128	128
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	50	67	61	0	0	0	0	0	0	0	0	0
4. Compensations	39	7	7	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	111	22	15	33	0	0	0	0	0	0	0	0
TOTAL	283	279	287	456	635	757	691	680	731	771	731	817

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	50	264	368	282	355	402	454	498	541	568	221	221
Market measures	1	45	65	65	65	65	65	65	65	65	0	0
Direct payments	0	80	93	106	132	159	185	211	238	264	0	0
Rural development	49	139	210	110	157	178	204	221	238	238	221	221
o/w EAGGF (guidance)/EAFRD	0	0	37	102	143	163	186	201	217	217	201	201
EAGGF (guarantee)/EAFRD	49	135	171	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	3	1	8	15	16	18	19	21	21	19	19
2. Structural actions	0	24	42	125	216	191	233	236	265	285	294	297
Structural funds	0	24	42	125	216	191	233	236	265	285	294	297
o/w ERDF	0	24	38	110	188	168	201	201	226	243	251	251
ESF	0	0	3	15	28	23	32	35	39	42	43	46
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	54	11	7	16	0	0	0	0	0	0	0	0
TOTAL	104	299	417	423	571	593	687	733	806	852	515	518

Source: European Commission, national authorities, IMF staff estimates.

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COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Agriculture	1225	2462	2794	2945	3193	3442	3691	3939	4189	4442
Market measures	149	386	416	416	416	416	416	416	416	416
Direct payments	0	615	745	852	1064	1277	1490	1703	1916	2129
Rural development	1076	1461	1633	1678	1713	1749	1785	1820	1857	1897
o/w EAGGF (guidance)/EAFRD	166	452	546	1595	1627	1659	1691	1721	1756	1791
EAGGF (guarantee)/EAFRD	863	942	1003	0	0	0	0	0	0	0
FIFG/EFF	47	66	84	83	87	91	95	98	102	106
2. Structural actions	3108	3522	4560	7661	8005	8345	8384	8726	9051	9377
Structural funds	1698	2361	3010	5258	5676	5691	5519	5540	6157	6179
o/w ERDF	1234	1716	2187	4085	4409	4420	4287	4304	4783	4800
ESF	464	645	822	1173	1266	1270	1231	1236	1374	1379
Community initiatives	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	1411	1161	1550	1828	2143	2457	2673	2983	3569	3861
3. Internal Policies	691	665	650	512	512	512	512	512	512	512
Existing policies	474	493	512	512	512	512	512	512	512	512
Nuclear safety	0	0	0	0	0	0	0	0	0	0
Institutional building	114	69	35	0	0	0	0	0	0	0
Schengen	103	103	103	0	0	0	0	0	0	0
4. Compensations	489	607	497	0	0	0	0	0	0	0
5. Pre-accession assistance	1071	909	562	0	0	0	0	0	0	0
TOTAL	6584	8165	9062	11118	11711	12300	12587	13177	13753	14331

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	437	1678	2295	2419	2914	2820	3220	3558	3896	4109	1625	750
Market measures	11	174	221	230	230	230	230	230	230	230	0	0
Direct payments	0	689	782	852	1064	1277	1490	1703	1916	2129	0	0
Rural development	426	815	1291	1338	1620	1312	1500	1625	1750	1750	1625	750
o/w EAGGF (guidance)/EAFRD	119	134	237	1225	1523	1243	1421	1539	1657	1657	1539	710
EAGGF (guarantee)/EAFRD	287	649	1004	0	0	0	0	0	0	0	0	0
FIFG/EFF	20	32	51	113	97	69	79	86	92	92	86	40
2. Structural actions	975	820	1561	4852	7276	7742	7506	7339	8135	8730	8930	4852
Structural funds	701	595	1103	3287	4368	4713	4713	4802	5403	5803	6003	3291
o/w ERDF	497	424	744	2471	3305	3731	3731	3731	4197	4508	4663	2487
ESF	204	171	359	816	1063	982	982	1072	1206	1295	1340	804
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	273	225	458	1565	2908	3029	2793	2537	2732	2927	2927	1561
3. Internal Policies	103	111	123	461	461	461	461	461	461	461	0	0
Existing policies	0	10	23	461	461	461	461	461	461	461	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	103	101	100	0	0	0	0	0	0	0	0	0
4. Compensations	490	600	536	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	731	659	191	112	37	0	0	0	0	0	0	0
TOTAL	2736	3868	4705	7845	10689	11023	11187	11358	12491	13300	10555	5602

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	1846	3085	3267	3562	4169	4012	4377	4780	5228	5530	2654	1410
Market measures	11	174	221	230	230	230	230	230	230	230	0	0
Direct payments	0	689	782	852	1064	1277	1490	1703	1916	2129	0	0
EAGGF (guarantee)/EAFRD	287	649	1004	978	1215	992	1134	1229	1323	1323	1229	567
FIFG/EFF	20	32	51	113	97	69	79	86	92	92	86	40
ESF	204	171	359	816	1063	982	982	1072	1206	1295	1340	804
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	10	23	461	461	461	461	461	461	461	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	103	101	100	0	0	0	0	0	0	0	0	0
Compensations	490	600	536	0	0	0	0	0	0	0	0	0
Pre-accession assistance	731	659	191	112	37	0	0	0	0	0	0	0
Capital payments	890	783	1439	4284	6520	7010	6810	6578	7263	7769	7901	4191
EAGGF (guidance)/EAFRD	119	134	237	247	307	251	287	311	334	334	311	143
ERDF	497	424	744	2471	3305	3731	3731	3731	4197	4508	4663	2487
Cohesion Funds	273	225	458	1565	2908	3029	2793	2537	2732	2927	2927	1561
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Pre-accession assistance	0	0	0	0	0	0	0	0	0	0	0	0

MEMO ITEMS:												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	119	72		414	414							
FIFG/EFF	20	12		23	23							
ERDF	497	303		622	933	622						
ESF	204	122		179	268	179						
Cohesion Funds	0	0		488	781	781						

Source: European Commission, national authorities, IMF staff estimates.

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ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	297	1594	2295	1982	2699	2820	3220	3558	3896	4109	1625	1625
Market measures	11	174	221	230	230	230	230	230	230	230	0	0
Direct payments	0	689	782	852	1064	1277	1490	1703	1916	2129	0	0
Rural development	287	732	1291	901	1405	1312	1500	1625	1750	1750	1625	1625
o/w EAGGF (guidance)/EAFRD	0	63	237	810	1299	1243	1421	1539	1657	1657	1539	1539
EAGGF (guarantee)/EAFRD	287	649	1004	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	20	51	90	106	69	79	86	92	92	86	86
2. Structural actions	273	395	1561	3564	6422	6161	7506	7339	8135	8730	8930	9702
Structural funds	0	170	1103	2487	4294	3913	4713	4802	5403	5803	6003	6092
o/w ERDF	0	121	744	1849	3172	3109	3731	3731	4197	4508	4663	4663
ESF	0	49	359	637	1122	804	982	1072	1206	1295	1340	1429
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	273	225	458	1078	2128	2248	2793	2537	2732	2927	2927	3610
3. Internal Policies	103	111	123	461	461	461	461	461	461	461	0	0
Existing policies	0	10	23	461	461	461	461	461	461	461	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	103	101	100	0	0	0	0	0	0	0	0	0
4. Compensations	490	600	536	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	731	659	191	112	37	0	0	0	0	0	0	0
TOTAL	1895	3359	4705	6120	9620	9442	11187	11358	12491	13300	10555	11327

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	273	313	1044	2356	4340	4210	5160	4966	5464	5862	5963	6709
Structural funds	0	89	586	1278	2213	1962	2366	2429	2733	2935	3036	3099
o/w ERDF	0	55	335	832	1427	1399	1679	1679	1889	2029	2099	2099
ESF	0	34	251	446	785	563	688	750	844	906	938	1000
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	273	225	458	1078	2128	2248	2793	2537	2732	2927	2927	3610
3. Internal Policies	103	111	123	461	461	461	461	461	461	461	0	0
Existing policies	0	10	23	461	461	461	461	461	461	461	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	103	101	100	0	0	0	0	0	0	0	0	0
4. Compensations	490	600	536	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	492	444	129	76	25	0	0	0	0	0	0	0
TOTAL	1359	1468	1831	2893	4827	4671	5621	5427	5926	6323	5963	6709

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	297	1594	2295	1982	2699	2820	3220	3558	3896	4109	1625	1625
Market measures	11	174	221	230	230	230	230	230	230	230	0	0
Direct payments	0	689	782	852	1064	1277	1490	1703	1916	2129	0	0
Rural development	287	732	1291	901	1405	1312	1500	1625	1750	1750	1625	1625
o/w EAGGF (guidance)/EAFRD	0	63	237	810	1299	1243	1421	1539	1657	1657	1539	1539
EAGGF (guarantee)/EAFRD	287	649	1004	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	20	51	90	106	69	79	86	92	92	86	86
2. Structural actions	0	81	517	1208	2081	1951	2347	2373	2670	2868	2967	2994
Structural funds	0	81	517	1208	2081	1951	2347	2373	2670	2868	2967	2994
o/w ERDF	0	67	409	1017	1745	1710	2052	2052	2308	2479	2565	2565
ESF	0	15	108	191	337	241	295	322	362	388	402	429
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	239	215	62	37	12	0	0	0	0	0	0	0
TOTAL	536	1891	2874	3227	4793	4771	5567	5931	6566	6976	4592	4618

Source: European Commission, national authorities, IMF staff estimates.

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COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Agriculture	181	324	367	458	465	470	483	512	546	605
Market measures	19	53	54	59	59	59	59	59	59	59
Direct payments	0	81	97	111	139	167	195	222	250	278
Rural development	162	191	215	288	266	244	229	231	236	268
o/w EAGGF (guidance)/EAFRD	42	59	75	286	265	243	228	229	235	266
EAGGF (guarantee)/EAFRD	119	131	139	0	0	0	0	0	0	0
FIFG/EFF	0	1	1	2	2	2	1	2	2	2
2. Structural actions	438	487	618	1225	1300	1382	1476	1554	1627	1674
Structural funds	246	328	407	1028	982	930	845	890	959	1181
o/w ERDF	157	210	262	798	762	720	652	688	743	920
ESF	86	115	142	201	191	181	164	173	187	231
Community initiatives	3	3	3	29	29	28	29	29	29	30
Cohesion Funds	193	159	212	197	318	453	631	664	669	493
3. Internal Policies	124	121	119	142	142	142	142	142	142	142
Existing policies	59	61	64	88	88	88	88	88	88	88
Nuclear safety	33	33	33	54	54	54	54	54	54	54
Institutional building	14	9	4	0	0	0	0	0	0	0
Schengen	18	18	18	0	0	0	0	0	0	0
4. Compensations	70	13	13	0	0	0	0	0	0	0
5. Pre-accession assistance	132	113	71	0	0	0	0	0	0	0
TOTAL	946	1057	1187	1825	1907	1995	2101	2208	2315	2421

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	58	248	300	323	419	395	449	494	540	568	229	106
Market measures	0	31	31	43	43	43	43	43	43	43	0	0
Direct payments	0	81	97	111	139	167	195	222	250	278	0	0
Rural development	58	136	172	169	237	185	211	229	247	247	229	106
o/w EAGGF (guidance)/EAFRD	18	30	32	168	235	184	210	227	245	245	227	105
EAGGF (guarantee)/EAFRD	40	105	139	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	1	2	1	1	2	2	2	2	1
2. Structural actions	102	123	250	710	1147	1278	1226	1267	1401	1502	1505	952
Structural funds	100	81	168	486	708	769	770	822	921	988	992	661
o/w ERDF	64	40	84	326	513	581	581	634	713	766	793	528
ESF	35	41	84	131	165	159	159	159	179	193	199	133
Community initiatives	0	0	0	29	29	28	29	29	29	30	0	0
Cohesion Funds	2	42	82	224	439	509	456	445	479	514	514	291
3. Internal Policies	34	50	82	113	113	133	133	133	133	133	54	54
Existing policies	34	33	32	80	80	80	80	80	80	80	0	0
Nuclear safety	0	0	33	33	33	54	54	54	54	54	54	54
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	18	17	0	0	0	0	0	0	0	0	0
4. Compensations	70	14	13	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	118	158	71	0	0	0	0	0	0	0	0	0
TOTAL	382	593	716	1146	1678	1806	1808	1895	2074	2203	1788	1112

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	297	481	484	525	641	621	671	712	773	815	378	215
Market measures	0	31	31	43	43	43	43	43	43	43	0	0
Direct payments	0	81	97	111	139	167	195	222	250	278	0	0
EAGGF (guidance)/EAFRD	40	105	139	131	183	143	164	177	191	191	177	82
FIFG/EFF	0	0	0	1	2	1	1	2	2	2	2	1
ESF	35	41	84	131	165	159	159	159	179	193	199	133
Community initiatives	0	0	0	29	29	28	29	29	29	30	0	0
Existing policies	34	33	32	80	80	80	80	80	80	80	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	18	17	0	0	0	0	0	0	0	0	0
Compensations	70	14	13	0	0	0	0	0	0	0	0	0
Pre-accession assistance	118	158	71	0	0	0	0	0	0	0	0	0
Capital payments	85	112	232	620	1038	1184	1137	1183	1300	1388	1410	896
EAGGF (guidance)/EAFRD	18	30	32	37	52	41	46	50	54	54	50	23
ERDF	64	40	84	326	513	581	581	634	713	766	793	528
Cohesion Funds	2	42	82	224	439	509	456	445	479	514	514	291
Nuclear safety	0	0	33	33	33	54	54	54	54	54	54	54
Pre-accession assistance	0	0	0	0	0	0	0	0	0	0	0	0

MEMO ITEMS:												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	18	11		61	61							
FIFG/EFF	0	0		0	0							
ERDF	64	38		106	159	106						
ESF	35	21		27	40	27						
Cohesion Funds	0	0		86	137	137						

Source: European Commission, national authorities, IMF staff estimates.

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ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	40	237	300	261	386	395	449	494	540	568	229	229
Market measures	0	31	31	43	43	43	43	43	43	43	0	0
Direct payments	0	81	97	111	139	167	195	222	250	278	0	0
Rural development	40	125	172	107	205	185	211	229	247	247	229	229
o/w EAGGF (guidance)/EAFRD	0	19	32	106	203	184	210	227	245	245	227	227
EAGGF (guarantee)/EAFRD	40	105	139	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	1	2	1	1	2	2	2	2	2
2. Structural actions	2	64	250	492	970	1009	1226	1267	1401	1502	1505	1775
Structural funds	0	22	168	353	668	637	770	822	921	988	992	1124
o/w ERDF	0	2	84	220	457	476	581	634	713	766	793	898
ESF	0	20	84	104	182	133	159	159	179	193	199	226
Community initiatives	0	0	0	29	29	28	29	29	29	30	0	0
Cohesion Funds	2	42	82	139	302	372	456	445	479	514	514	651
3. Internal Policies	34	50	82	113	113	133	133	133	133	133	54	54
Existing policies	34	33	32	80	80	80	80	80	80	80	0	0
Nuclear safety	0	0	33	33	33	54	54	54	54	54	54	54
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	18	17	0	0	0	0	0	0	0	0	0
4. Compensations	70	14	13	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	118	158	71	0	0	0	0	0	0	0	0	0
TOTAL	264	523	716	866	1469	1536	1808	1895	2074	2203	1788	2057

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	2	57	178	340	664	707	858	871	955	1023	1010	1213
Structural funds	0	15	97	201	362	335	402	426	475	509	496	562
o/w ERDF	0	1	38	99	206	214	262	285	321	345	357	404
ESF	0	14	59	73	127	93	112	112	126	135	139	158
Community initiatives	0	0	0	29	29	28	29	29	29	30	0	0
Cohesion Funds	2	42	82	139	302	372	456	445	479	514	514	651
3. Internal Policies	34	50	82	113	113	133	133	133	133	133	54	54
Existing policies	34	33	32	80	80	80	80	80	80	80	0	0
Nuclear safety	0	0	33	33	33	54	54	54	54	54	54	54
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	18	17	0	0	0	0	0	0	0	0	0
4. Compensations	70	14	13	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	79	106	48	0	0	0	0	0	0	0	0	0
TOTAL	185	227	321	453	777	840	991	1004	1088	1156	1063	1266

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	40	237	300	261	386	395	449	494	540	568	229	229
Market measures	0	31	31	43	43	43	43	43	43	43	0	0
Direct payments	0	81	97	111	139	167	195	222	250	278	0	0
Rural development	40	125	172	107	205	185	211	229	247	247	229	229
o/w EAGGF (guidance)/EAFRD	0	19	32	106	203	184	210	227	245	245	227	227
EAGGF (guarantee)/EAFRD	40	105	139	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	1	2	1	1	2	2	2	2	2
2. Structural actions	0	7	72	152	306	301	367	397	446	479	496	562
Structural funds	0	7	72	152	306	301	367	397	446	479	496	562
o/w ERDF	0	1	46	121	251	262	320	349	392	421	436	494
ESF	0	6	25	31	55	40	48	48	54	58	60	68
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	39	52	23	0	0	0	0	0	0	0	0	0
TOTAL	79	296	395	414	692	696	816	891	986	1047	725	791

Source: European Commission, national authorities, IMF staff estimates.

SLOVENIA

COMMITMENTS FROM THE EU 2004-2013 (EUR MILLION, 2004 PRICES)										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Agriculture	107	173	188	226	223	219	224	227	229	231
Market measures	16	42	43	43	43	43	43	43	43	43
Direct payments	0	30	36	38	48	55	65	74	83	92
Rural development	91	101	109	144	132	120	117	110	103	96
o/w EAGGF (guidance)/EAFRD	6	8	10	141	129	117	114	107	101	94
EAGGF (guarantee)/EAFRD	85	93	98	0	0	0	0	0	0	0
FIFG/EFF	0	1	1	3	3	3	3	3	2	2
2. Structural actions after capping	123	132	169	523	526	529	533	536	540	543
Structural funds	59	79	99	436	410	384	357	330	302	274
o/w ERDF	32	45	57	317	299	280	260	241	221	201
ESF	18	25	32	119	112	104	97	89	81	73
Community initiatives	9	10	10	0	0	0	0	0	0	0
Cohesion Funds	64	52	70	86	115	146	176	206	237	269
3. Internal Policies	83	82	81	40	40	40	40	40	40	40
Existing policies	37	39	40	40	40	40	40	40	40	40
Nuclear safety	0	0	0	0	0	0	0	0	0	0
Institutional building	6	4	2	0	0	0	0	0	0	0
Schengen	39	39	39	0	0	0	0	0	0	0
4. Compensations	105	93	59	0	0	0	0	0	0	0
5. Pre-accession assistance	56	47	30	0	0	0	0	0	0	0
TOTAL	473	527	527	788	789	788	797	803	809	814

ESTIMATED PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	26	112	142	119	157	157	179	197	214	223	107	49
Market measures	2	8	16	16	16	16	16	16	16	16	0	0
Direct payments	0	24	30	38	48	55	65	74	83	92	0	0
Rural development	24	80	96	65	93	86	99	107	115	115	107	49
o/w EAGGF (guidance)/EAFRD	2	2	5	63	91	84	96	104	112	112	104	48
EAGGF (guarantee)/EAFRD	21	78	92	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	2	2	2	2	3	3	3	3	1
2. Structural actions	22	55	92	253	353	459	490	485	510	547	559	314
Structural funds	22	46	66	147	191	296	324	324	337	362	374	215
o/w ERDF	14	30	43	101	136	218	236	236	246	264	273	155
ESF	8	12	24	46	55	78	88	88	91	98	101	61
Community initiatives	1	4	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	8	26	105	161	163	166	161	173	185	185	99
3. Internal Policies	58	51	74	40	40	40	40	40	40	40	0	0
Existing policies	58	51	74	40	40	40	40	40	40	40	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	113	89	60	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	46	48	35	16	0	0	0	0	0	0	0	0
TOTAL	264	356	403	428	549	657	709	722	764	810	666	364

ESTIMATED BREAKDOWN OF PAYMENTS FROM THE EU 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current payments	211	285	300	205	247	271	302	319	340	355	203	108
Market measures	2	8	16	16	16	16	16	16	16	16	0	0
Direct payments	0	24	30	38	48	55	65	74	83	92	0	0
EAGGF (guidance)/EAFRD	21	78	92	60	87	80	92	99	107	107	99	46
FIFG/EFF	0	0	0	2	2	2	2	3	3	3	3	1
ESF	8	12	24	46	55	78	88	88	91	98	101	61
Community initiatives	1	4	0	0	0	0	0	0	0	0	0	0
Existing policies	58	51	74	40	40	40	40	40	40	40	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
Compensations	113	89	60	0	0	0	0	0	0	0	0	0
Pre-accession assistance	9	18	6	3	0	0	0	0	0	0	0	0
Capital payments	53	71	103	223	302	386	407	402	424	454	463	256
EAGGF (guidance)/EAFRD	2	2	5	3	4	4	5	5	5	5	5	2
ERDF	14	30	43	101	136	218	236	236	246	264	273	155
Cohesion Funds	0	8	26	105	161	163	166	161	173	185	185	99
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Pre-accession assistance	37	30	30	14	0	0	0	0	0	0	0	0

MEMO ITEMS:												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Advance payments:												
EAGGF (guidance)/EAFRD	2	1		28	28							
FIFG/EFF	0	0		1	1							
ERDF	14	8		36	55	36						
ESF	8	5		13	20	13						
Cohesion Funds	0	0		31	49	49						

Source: European Commission, national authorities, IMF staff estimates.

SLOVENIA

ESTIMATED SPENDING OF EU FUNDS 2004-2015 (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	23	111	142	90	132	157	179	197	214	223	107	107
Market measures	2	8	16	16	16	16	16	16	16	16	0	0
Direct payments	0	24	30	38	48	55	65	74	83	92	0	0
Rural development	21	79	96	36	69	86	99	107	115	115	107	107
o/w EAGGF (guidance)/EAFRD	0	1	5	35	67	84	96	104	112	112	104	104
EAGGF (guarantee)/EAFRD	21	78	92	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	1	2	2	2	3	3	3	3	3
2. Structural actions	1	42	92	172	262	360	490	485	510	547	559	618
Structural funds	1	34	66	98	150	246	324	324	337	362	374	390
o/w ERDF	0	22	43	65	104	182	236	236	246	264	273	282
ESF	0	8	24	33	47	64	88	88	91	98	101	108
Community initiatives	1	4	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	8	26	75	112	114	166	161	173	185	185	229
3. Internal Policies	58	51	74	40	40	40	40	40	40	40	0	0
Existing policies	58	51	74	40	40	40	40	40	40	40	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	113	89	60	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	46	48	35	16	0	0	0	0	0	0	0	0
TOTAL	240	342	403	319	434	558	709	722	764	810	666	725

ESTIMATED SPENDING OF EU FUNDS TO PUBLIC BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	0	0	0	0	0	0	0	0	0	0	0	0
Market measures	0	0	0	0	0	0	0	0	0	0	0	0
Direct payments	0	0	0	0	0	0	0	0	0	0	0	0
Rural development	0	0	0	0	0	0	0	0	0	0	0	0
o/w EAGGF (guidance)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
EAGGF (guarantee)/EAFRD	0	0	0	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	0	0	0	0	0	0	0	0	0
2. Structural actions	1	27	62	127	191	241	334	328	347	373	379	431
Structural funds	1	19	36	52	79	127	168	168	174	187	194	202
o/w ERDF	0	10	19	29	47	82	106	106	111	119	123	127
ESF	0	5	17	23	33	45	61	61	64	68	71	76
Community initiatives	1	4	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	8	26	75	112	114	166	161	173	185	185	229
3. Internal Policies	58	51	74	40	40	40	40	40	40	40	0	0
Existing policies	58	51	74	40	40	40	40	40	40	40	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	113	89	60	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	31	33	24	11	0	0	0	0	0	0	0	0
TOTAL	202	201	219	178	231	281	374	369	387	413	379	431

ESTIMATED SPENDING OF EU FUNDS TO PRIVATE BENEFICIARIES (EUR MILLION, 2004 PRICES)												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Agriculture	23	111	142	90	132	157	179	197	214	223	107	107
Market measures	2	8	16	16	16	16	16	16	16	16	0	0
Direct payments	0	24	30	38	48	55	65	74	83	92	0	0
Rural development	21	79	96	36	69	86	99	107	115	115	107	107
o/w EAGGF (guidance)/EAFRD	0	1	5	35	67	84	96	104	112	112	104	104
EAGGF (guarantee)/EAFRD	21	78	92	0	0	0	0	0	0	0	0	0
FIFG/EFF	0	0	0	1	2	2	2	3	3	3	3	3
2. Structural actions	0	15	31	45	71	119	156	156	162	174	180	187
Structural funds	0	15	31	45	71	119	156	156	162	174	180	187
o/w ERDF	0	12	23	36	57	100	130	130	135	145	150	155
ESF	0	2	7	10	14	19	26	26	27	29	30	32
Community initiatives	0	0	0	0	0	0	0	0	0	0	0	0
Cohesion Funds	0	0	0	0	0	0	0	0	0	0	0	0
3. Internal Policies	0	0	0	0	0	0	0	0	0	0	0	0
Existing policies	0	0	0	0	0	0	0	0	0	0	0	0
Nuclear safety	0	0	0	0	0	0	0	0	0	0	0	0
Institutional building	0	0	0	0	0	0	0	0	0	0	0	0
Schengen	0	0	0	0	0	0	0	0	0	0	0	0
4. Compensations	0	0	0	0	0	0	0	0	0	0	0	0
5. Pre-accession assistance	15	16	12	5	0	0	0	0	0	0	0	0
TOTAL	38	141	184	141	203	277	335	353	376	397	288	294

Source: European Commission, national authorities, IMF staff estimates.

BULGARIA

COMMITMENTS FROM THE EU 2007-2013 (EUR MILLION, 2004 PRICES)							
	2007	2008	2009	2010	2011	2012	2013
1. Sustainable growth	532	729	946	905	949	991	1031
competitiveness for growth and employment (Nuclear decommissioning)	70	70	70	0	0	0	0
cohesion for growth and employment	462	659	876	905	949	991	1031
2. Presevation and management of natural resources	373	656	771	770	798	869	938
rural development	230	311	396	354	347	339	331
direct payments	0	200	240	281	321	401	482
market measures	132	129	127	125	122	119	116
EFF	11	16	8	10	8	10	9
3. Citizenship, freedom, security and justice	103	99	96	91	91	91	91
freedom, security and justice	0	0	0	0	0	0	0
citizenship (Institution Building)	15	10	5	0	0	0	0
internal policies (existing policies)	88	89	91	91	91	91	91
4. EU as a global player	0	0	0	0	0	0	0
5. Administration	0	0	0	0	0	0	0
6. Compensation (Shengen and cash flow facility)	122	59	59	0	0	0	0
Total commitments	1130	1543	1872	1766	1838	1951	2060

MEMO ITEMS:							
	2007	2008	2009	2010	2011	2012	2013
Allocations:							
CF	180	253	334	324	315	306	297
ESF	90	127	168	163	158	154	149
ERDF	255	359	474	461	448	435	422
EARDF	244.1	337.1	437.3	399.1	398.1	397.7	395.7
EFF	11	16	8	10	8	10	9
Advances							
NSRF							
CF	50	80	80				
ESF	20	30	20				
ERDF	57	86	57				
EARDF	91	91					
EFF	3	3					

ESTIMATED PAYMENTS FROM THE EU 2007-2015 (EUR MILLION, 2004 PRICES)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Sustainable growth	256	619	756	763	763	763	763	763	341
competitiveness for growth and employment (Nuclear decommissioning)	70	70	70	0	0	0	0	0	0
cohesion for growth and employment	186	549	686	763	763	763	763	763	341
2. Presevation and management of natural resources	253	584	608	755	792	869	947	349	188
rural development	117	248	235	339	339	339	339	339	183
direct payments	0	200	240	281	321	401	482	0	0
market measures	132	129	127	125	122	119	116	0	0
EFF	3	7	6	9	9	9	9	9	5
3. Citizenship, freedom, security and justice	103	99	96	91	91	91	91	0	0
freedom, security and justice	0	0	0	0	0	0	0	0	0
citizenship (Institution Building)	15	10	5	0	0	0	0	0	0
internal policies (existing policies)	88	89	91	91	91	91	91	0	0
4. EU as a global player	0	0	0	0	0	0	0	0	0
5. Administration	0	0	0	0	0	0	0	0	0
6. Compensation (Shengen and cash flow facility)	122	59	59	0	0	0	0	0	0
Total commitments	734	1360	1519	1609	1646	1723	1801	1112	528

ESTIMATED SPENDING OF EU FUNDS 2007-2015 (EUR MILLION, 2004 PRICES)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Sustainable growth	129	422	598	763	763	763	763	763	822
competitiveness for growth and employment (Nuclear decommissioning)	70	70	70	0	0	0	0	0	0
cohesion for growth and employment	59	352	528	763	763	763	763	763	822
2. Presevation and management of natural resources	159	490	608	755	792	869	947	349	375
rural development	26	157	235	339	339	339	339	339	365
direct payments	0	200	240	281	321	401	482	0	0
market measures	132	129	127	125	122	119	116	0	0
EFF	1	4	6	9	9	9	9	9	10
3. Citizenship, freedom, security and justice	103	99	96	91	91	91	91	0	0
freedom, security and justice	0	0	0	0	0	0	0	0	0
citizenship (Institution Building)	15	10	5	0	0	0	0	0	0
internal policies (existing policies)	88	89	91	91	91	91	91	0	0
4. EU as a global player	0	0	0	0	0	0	0	0	0
5. Administration	0	0	0	0	0	0	0	0	0
6. Compensation (Shengen and cash flow facility)	122	59	59	0	0	0	0	0	0
Total commitments	513	1070	1362	1609	1646	1723	1801	1112	1197

Source: European Commission, national authorities, IMF staff estimates.

ROMANIA

COMMITMENTS FROM THE EU 2007-2013 (EUR MILLION, 2004 PRICES)							
	2007	2008	2009	2010	2011	2012	2013
1. Sustainable growth	1258	1770	2333	2746	2899	3056	3211
competitiveness for growth and employment	0	0	0	0	0	0	0
cohesion for growth and employment	1258	1770	2333	2746	2899	3056	3211
2. Presevation and management of natural resources	2234	2379	2535	2680	2817	2933	3039
rural development	1077	1056	1035	1015	995	975	956
direct payments	923	1131	1331	1522	1706	1881	2049
market measures	234	192	169	143	116	77	34
EFF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3. Citizenship, freedom, security and justice	50	0	0	0	0	0	0
4. EU as a global player	1273	1667	1035	219	104	0	0
5. Administration	0	0	0	0	0	0	0
6. Compensation (Shengen and cash flow facility)	297	132	131	0	0	0	0
Total commitments	5113	5947	6035	5645	5820	5989	6251

MEMO ITEMS:							
	2007	2008	2009	2010	2011	2012	2013
Allocations:							
CF	418	590	778	915	966	1018	1070
ESF	233	331	464	525	545	570	568
ERDF	514	760	1142	1354	1404	1366	1341
EARDF	611	824	1040	1108	1139	1172	1206
Advances:							
NSRF							
CF	144	230	230				
ESF	65	97	65				
ERDF	158	236	158				
EARDF	249	249					

ESTIMATED PAYMENTS FROM THE EU 2007-2015 (EUR MILLION, 2004 PRICES)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Sustainable growth	535	1576	1971	2193	2193	2193	2193	2193	980
competitiveness for growth and employment	0	0	0	0	0	0	0	0	0
cohesion for growth and employment	535	1576	1971	2193	2193	2193	2193	2193	980
2. Presevation and management of natural resources	1476	1998	2139	2588	2745	2881	3006	923	497
rural development	320	675	639	923	923	923	923	923	497
direct payments	923	1131	1331	1522	1706	1881	2049	0	0
market measures	234	192	169	143	116	77	34	0	0
EFF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3. Citizenship, freedom, security and justice	50	0	0	0	0	0	0	0	0
4. EU as a global player	1273	1667	1035	219	104	0	0	0	0
5. Administration	0	0	0	0	0	0	0	0	0
6. Compensation (Shengen and cash flow facility)	297	132	131	0	0	0	0	0	0
Total commitments	3632	5372	5276	5001	5042	5074	5199	3116	1477

ESTIMATED SPENDING OF EU FUNDS 2007-2015 (EUR MILLION, 2004 PRICES)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Sustainable growth	169	1012	1518	2193	2193	2193	2193	2193	2362
competitiveness for growth and employment	0	0	0	0	0	0	0	0	0
cohesion for growth and employment	169	1012	1518	2193	2193	2193	2193	2193	2362
2. Presevation and management of natural resources	1228	1749	2139	2588	2745	2881	3006	923	994
rural development	71	426	639	923	923	923	923	923	994
direct payments	923	1131	1331	1522	1706	1881	2049	0	0
market measures	234	192	169	143	116	77	34	0	0
EFF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3. Citizenship, freedom, security and justice	50	0	0	0	0	0	0	0	0
4. EU as a global player	1273	1667	1035	219	104	0	0	0	0
5. Administration	0	0	0	0	0	0	0	0	0
6. Compensation (Shengen and cash flow facility)	297	132	131	0	0	0	0	0	0
Total commitments	3017	4560	4824	5001	5042	5074	5199	3116	3356

Source: National authorities, European Commission, IMF staff estimates.

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