

ECA 2020 annual report – Glossary

Term	Explanation
Absorption	The extent, often expressed as a percentage, to which EU funds allocated to Member States have been spent on eligible projects.
Accrual-based accounting	Accounting approach that recognises income when it is earned and expenses when they are incurred, rather than when they are received or paid.
Acquis	The body of all EU law, comprising legislation, court decisions and other legal acts.
Additionality	The principle that EU funding, particularly through the ESI funds, must supplement national spending rather than replacing it.
Agricultural factor income	Income from farming, broken down into its constituent parts (land, labour and capital).
Agri-environment-climate commitment	Any one of a set of optional practices going beyond the usual environmental requirements and entitling farmers to payment from the EU budget.
Annual activity report (AAR)	Report produced by each Commission directorate-general, EU institution and body, setting out how it has performed in relation to its objectives, and how it has used its financial and human resources.
Annual control report (ACR)	Document prepared by a Member State's audit authority and submitted to the Commission as part of that country's annual assurance package.
Annual Management and Performance Report (AMPR)	Report produced every year by the Commission on its management of the EU budget and the results achieved, summarising the information in the annual activity reports of its directorates-general and executive agencies.

Annuality	Budgetary principle by which the budget must be raised and spent within the financial year to which it pertains.
Appropriation	Amount set aside in a budget for a specific purpose. The EU budget comprises commitment and payment appropriations.
Arachne database	Data mining tool developed by the Commission to support managing authorities in the administration and management of the ESI funds.
Assigned revenue	Funds paid into the EU budget (e.g. fines and corrections and third country contributions to research programmes) which can only be used for a defined purpose.
Assurance engagement	A type of audit leading to an opinion on the subject matter of the audit, for example the reliability of a set of financial statements or the regularity of transactions.
Assurance package	Set of documents which each Member State submits to the Commission yearly in respect of the ESI funds, comprising the annual accounts, summary, control report, management declaration and audit opinion.
Attestation	The approach used when providing audit assurance on financial information, other data or specific assertions prepared by the auditee.
Audit authority (AA)	Independent national entity responsible for auditing the systems and operations of an EU spending programme.
Audit trail	Record of the movement of data within an accounting or administrative system, allowing individual transactions to be traced.
Authorising officer	A person responsible for implementing an EU body's revenue and expenditure.

Basic payment scheme (BPS)	EU agricultural scheme which makes payments to farmers based on eligible land area.
Bêkou Trust Fund	EU trust fund to support the stabilisation and reconstruction of the Central African Republic.
Beneficiary	A natural or legal person receiving a grant or loan from the EU budget.
Bridging facility	An instrument ensuring continuity of financing from one EU funding scheme to the next.
Budget support	Direct transfer of EU aid to the national treasury of a partner country, subject to certain conditions.
Budgetary authority	The term used to refer to the European Parliament and the Council of the European Union when exercising their decision-making powers on EU budgetary matters.
Budgetary guarantee	A commitment to use the EU budget to compensate the EIB for any losses incurred if a beneficiary fails to meet its obligations in the context of the EFSI, such as by defaulting on a loan.
Candidate country	Country whose application for EU membership has been formally recognised by the European Council.
Carryover	The transfer of unused budget appropriations from one financial year to the next, subject to certain conditions.
Certification body	For agricultural spending, a public or private entity designated by the Member State to certify the reliability of an accredited paying agency's annual accounts and the legality and regularity of the underlying transactions.
Certifying authority	A body designated by a Member State to certify the accuracy and conformity of statements of expenditure and requests for payment.

Clearance of accounts	Annual process by which the Commission accepts the amounts requested for payment by implementing bodies and partners, following checks.
Closure	The financial settlement of an EU programme or fund, through payment of the balance due to, or the recovery of funds from, a Member State or other beneficiary country.
Cohesion country	An EU Member State that is eligible for support from the Cohesion Fund.
Cohesion Fund (CF)	EU fund for reducing economic and social disparities in the EU by funding investments in Member States where the gross national income per inhabitant is less than 90 % of the EU average.
Commitment	An amount earmarked in the budget to finance a specific item of expenditure, such as a contract or grant agreement. A commitment requires an underlying commitment appropriation.
Commitment appropriation	An annual ceiling on the amounts available in the EU budget for specific items of expenditure.
Common agricultural policy (CAP)	The EU's single unified policy on agriculture, comprising subsidies and a range of other measures to guarantee food security, ensure a fair standard of living for the EU's farmers, promote rural development and protect the environment.
Common fisheries policy	EU's framework for managing fish and fishing, designed to ensure sustainable fish stocks and a stable income for the fishing community.
Common monitoring and evaluation framework (CMEF)	The rules and procedures for evaluating the performance of the common agricultural policy.
Common provisions regulation (CPR)	Regulation setting out the rules that apply to all five of the European Structural and Investment Funds.

Common Risk Management Framework (CRMF)	Framework for customs controls by Member States, based upon the exchange of risk information and analysis among customs administrations.
Common security and defence policy (CSDP)	The part of EU foreign policy that focuses on security and defence capacity.
Compliance audit	Audit to determine, through the collection of evidence, whether an activity adheres to the applicable rules and regulations and the terms of any contracts or agreements.
Confidence interval	A statistical measure of the precision of the results of sampling, used when estimating an error rate.
Conformity clearance	The process whereby the Commission verifies whether a Member State has made correct use of the agricultural funds at its disposal and has operated its management and control systems effectively.
Connecting Europe Facility (CEF)	EU instrument providing financial support for the creation of sustainable interconnected infrastructure in the energy, transport, and information and communication technology sectors.
Consolidated accounts	The aggregated accounts of all the EU institutions, agencies and bodies, presented in a single document.
Contingent liability	A potential payment obligation that may be incurred depending on the outcome of a future event.
Contradictory procedure	Procedure in which the Commission discusses the results of its control checks with the body or department checked to ensure they are well founded.
Contribution agreement	An agreement between the Commission and an organisation implementing action under indirect management that has demonstrated an ability to manage funds to the same level as the Commission.

Convergence	The process by which Member States wanting to adopt the euro work towards meeting specific economic and regulatory criteria.
Coordination Committee for the European Structural and Investment Funds	Committee at the Commission with a mandate to discuss the implementation of the regulations governing the structural and investment funds.
Corrective capacity	A measure used by the Commission when estimating the level of future corrections.
Cotonou Agreement	Treaty between the EU, its Member States and the African, Caribbean and Pacific states, promoting economic, social and cultural development, peace and security, and a stable and democratic political environment.
Coupled support	EU payments to farmers for the production of a specific product.
Cross-compliance	A mechanism whereby payments to farmers are dependent on their meeting requirements on the environment, food safety, animal health and welfare, and land management.
Crowding-out effect	Economic effect whereby a rise in government spending causes a fall in private investment.
Cumulative residual risk	The expenditure which remains irregular at the end of a programming period, once all corrective measures have been taken.
Customs gap	The difference between the import duty that would be expected for the economy as a whole and the amount actually collected.
De minimis state aid	An amount of state aid below which no Commission approval is necessary.
Decentralised agency	An independent EU body established for an indefinite period, as a centre of expertise, to perform tasks contributing to the development and implementation of an EU policy.

Declaration of assurance	Declaration by a Commission director-general, in their annual activity report, on the completeness and accuracy of the accounts, the legality and regularity of the transactions underlying them, the functioning of internal control systems, and adherence to the principles of sound financial management.
Decommitment	Cancellation by the Commission of all or part of an unused commitment.
Decoupled [income] support	EU payments to farmers which are not tied to the production of a specific product.
Delegation agreement	An agreement concluded with individuals or entities, in certain policy areas, for the implementation of EU funds under indirect management.
Detection risk	The risk that audit testing will fail to detect an error or a weakness.
Direct aid / direct payment	Support payments, mostly area-related aid, made directly to farmers under the European Agricultural Guarantee Fund.
Direct costs	Expenses incurred by a beneficiary which are linked specifically to an EU project or action.
Direct management	Management of an EU fund or programme by the Commission alone, in contrast to shared management or indirect management.
Disbursement rate	The percentage of the total funds disbursed from a financial instrument to final recipients.
Discard	Unwanted fish disposed of in the sea.
Discharge	Annual decision taken by the European Parliament giving the Commission final approval for the way a budget has been implemented.
Draft amending budget	A proposal made by the Commission to modify the EU budget in the course of implementation.

Economic result	The result for the year, as presented in the EU's consolidated accounts, representing the difference between revenue and expenditure.
Economy	Making resources available in due time, in the appropriate quantity and quality, and at the best price.
Effectiveness	The extent to which the objectives pursued are achieved through the activities undertaken.
Efficiency	The best relationship between the resources employed, the activities undertaken and the achievement of objectives [from Regulation (EU) 2018/1046].
EIB external lending mandate	Mandate given to the EIB by the EU to engage in financing operations in partner countries, with a guarantee from the EU budget.
Equity investment	Money invested in a company in return for an ownership interest and a share of the profits.
Erasmus+ Master Loan Guarantee Facility	An initiative run by the European Investment Fund on behalf of the European Commission, which guarantees loans for postgraduate study abroad, making it easier for students to obtain finance.
Error	The result of an incorrect calculation or an irregularity arising from non-compliance with legal and contractual requirements.
Establishment plan	The maximum number of available employment positions by job category and pay grade for an EU institution or body.
Estimated level of error	A statistical estimate of the level of error affecting a population, based on testing of a representative sample of transactions.

EU Emergency Trust Fund for Africa	EU trust fund to support stability in the Sahel region (including the Lake Chad Basin), the Horn of Africa and North Africa and contribute to better management of migration by addressing its root causes.
EU trust fund (EUTF)	EU administered fund that pools money from multiple sources to finance the international response to an emergency or ongoing crisis, generally in the developing world.
EU13	The 13 Member States which have joined the European Union since 2004 (Bulgaria, the Czech Republic, Estonia, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia and Slovakia).
Europe 2020 strategy	The European Union's ten-year strategy, launched in 2010, to boost growth and create jobs.
European Agricultural Fund for Rural Development (EAFRD)	EU fund for financing the EU's contribution to rural development programmes.
European Agricultural Guarantee Fund (EAGF)	EU fund for financing direct payments to farmers and measures regulating or supporting agricultural markets.
European Fund for Strategic Investments (EFSI)	Investment support mechanism launched by the European Investment Bank (EIB) and the Commission, as part of the Investment Plan for Europe, to mobilise private investment in projects of strategic importance for the EU.
European Investment Fund (EIF)	A specialist provider of risk finance to small and medium-sized enterprises across Europe. Part of the EIB Group.
European Maritime and Fisheries Fund (EMFF)	EU fund that supports fishermen in the transition to sustainable fishing, and coastal communities in diversifying their economies.

European Regional Development Fund (ERDF)	EU fund that strengthens economic and social cohesion in the EU by financing investments that reduce imbalances between regions.
European Social Fund (ESF)	EU fund for creating educational and employment opportunities and improving the situation of people at risk of poverty.
European Structural and Investment Funds (ESIFs / ESI funds)	The five main EU funds which together support economic development across the EU: the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development, and the European Maritime and Fisheries Fund.
European system of national and regional accounts	The EU's accounting framework for a systematic and detailed description of an economy.
Ex post evaluation	An independent assessment of the effectiveness, efficiency, coherence, relevance and EU added value of a completed project or programme.
Executive agency	An organisation set up and managed by the Commission, for a limited period, to carry out specified tasks related to EU programmes or projects on its behalf and under its responsibility.
External action	EU activities to provide assistance to and develop relations with non-EU countries, including through multilateral agreements, as well as with regional or global organisations.
External border	A border, including airports and sea, lake or river ports, between an EU Member State and a non-EU country.
Final recipient / recipient	A natural or legal person receiving a grant or loan from the EU budget or ultimately benefitting from an EU-funded activity.

Financial correction	A measure to protect the budget from irregular or fraudulent expenditure by withdrawing or recovering funds to compensate for payments made in error to EU-backed projects or programmes.
Financial instrument / financial engineering	Financial support from the EU budget in the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments.
Financial intermediary	An entity acting as a link between the fund manager of a financial instrument and the final recipients.
Financial Regulation	The rules governing how the EU budget is set and used, and the associated processes such as internal control, reporting, audit and discharge.
Fishing pressure	Impact of fishing on fish populations.
Focus area	A second-level EU rural development priority.
Fund for European Aid to the Most Deprived (FEAD)	EU fund supporting Member States' actions to provide food and other material assistance to the poorest in society.
General Block Exemption Regulation (GBER)	EU regulation permitting certain types of state aid measures without the need to notify the Commission.
Geospatial aid application (GSAA)	An online tool for submitting area-based claims for agricultural aid.
Gini coefficient	Measure of the degree of inequality in a statistical population, such as how far a country's wealth or income distribution deviates from a totally equal distribution.
GNI Inventory (GNII)	List of procedures, statistics and other elements used to calculate GNI.
GNI reservation	Reservation on a Member State's calculation of its GNI-based own resource.
Good environmental status	Qualitative objective for the health, biodiversity, productivity and long-term sustainability of seas and oceans.

Grant	A non-repayable payment from the EU budget to a beneficiary for the implementation of an eligible project or programme.
Greening	The adoption of agricultural practices which benefit the climate and the environment. Also commonly used to refer to the related EU support scheme.
Gross national income (GNI)	A standard measure of a country's wealth, based on income from domestic sources and abroad.
Horizon 2020	The EU's research and innovation programme for the 2014-2020 period.
Impact	The long-term consequences of a completed project or programme, which may be socio-economic, environmental or financial.
Impact assessment	An analysis of the likely (ex ante) or actual (ex post) effects of a policy initiative or other course of action.
Indirect costs	Expenses incurred by a beneficiary which are not linked specifically to an EU project or action, such as overheads or other administrative costs.
Indirect management	A method of implementing the EU budget whereby the Commission entrusts implementation tasks to other entities (such as third countries and international organisations).
Infringement procedure	A procedure whereby the Commission takes action against any EU Member State that fails to meet its obligations under EU law.
Input	The financial, human, material, administrative or regulatory means used to implement a project or programme.
Integrated administration and control system (IACS)	An EU mechanism used by Member States to manage and check payments made to farmers under the common agricultural policy.

Interim payment	A payment under an EU project or programme, made once the beneficiary has reached a milestone specified in the contract or grant agreement.
Intermediary body	An organisation – such as a national public or private body, an NGO or an EU decentralised agency – appointed to administer EU funding under indirect or shared management.
International Council for the Exploration of the Sea (ICES)	Intergovernmental marine science organisation that works to advance and share scientific understanding of the condition and sustainable use of seas and oceans.
International Standards on Auditing (ISA(s))	The financial audit standards issued by the International Federation of Accountants.
International Thermonuclear Experimental Reactor (ITER)	International research project run as a partnership between the EU and various countries to demonstrate the scientific and technological feasibility of a full-scale fusion power reactor.
Interoperability	Ability of a system to communicate and work with other systems, including by exchanging data.
Inter-service consultation	A formal procedure whereby a Commission department seeks the advice or opinion of other departments on a proposal.
Intervention logic	The links between a proposal's objectives, the planned inputs and activities and the intended results and impact.
Irregularity	An infringement of EU (or relevant national) rules or contractual obligations.
Joint undertaking (JU)	An EU body established with a partner to carry out a project or activity in the area of research and technology.

Judgemental sampling	In contrast to statistical sampling, a procedure whereby the auditor exercises their discretion to select items from a population for audit testing in order to meet pre-determined criteria.
Key performance indicator	A quantifiable measure showing performance against key objectives.
Land parcel identification system (LPIS)	A database of agricultural land in the Member States, used in the payment of direct aid under the common agricultural policy and in eligibility checks on farmers' claims.
Learning mobility	Studying or training in another country.
Lump sum	A payment made in full, as opposed to in instalments.
Macro-financial assistance	A form of financial aid the EU gives to partner countries experiencing balance-of-payments or budgetary difficulties.
Mainstreaming	Systematically taking account of specific priorities (e.g. gender equality, climate protection) in all policy-making and implementation.
Major project	An EU-funded project with a total eligible cost exceeding €50 million in a sector such as transport, environment and energy.
Managing authority (MA)	The national, regional or local authority (public or private) designated by a Member State to manage an EU-funded programme.
Marine protected area	Area of sea designated, by law or otherwise, for the protection and maintenance of biodiversity, natural resources and cultural heritage sites.
Market measure	Public intervention in the agricultural markets to mitigate the effects of price drops and structural difficulties through sector-specific support (e.g. fruit and vegetables, wine, school milk).

Materiality threshold	A threshold above which irregularities detected in an audited population or set of financial statements are considered to affect accuracy and reliability.
Maximum aid intensity	Total amount of support that can be paid to a funding area, expressed as a percentage of eligible costs. The maximum aid intensity varies by programme and depends on factors such as geographical location.
Monetary unit sampling (MUS)	A statistical sampling method in which the chance of a particular transaction being selected is proportional to its size.
Multiannual financial framework (MFF)	The EU's spending plan setting priorities (based on policy objectives) and ceilings, under six main headings, generally for seven years. It provides the structure within which annual EU budgets are set, limiting spending for each category of expenditure.
Multiplier effect	Where a given change in a particular input, such as EU investments or guarantees, causes a larger change in an output, such as total investment.
National coordination centre (NCC)	Body that coordinates activities among Member States' border surveillance authorities and serves as a hub for them to exchange information with each other and with Frontex.
National promotional bank or institution	Financial institution set up by government to provide financing for economic development.
Negotiation chapter	One of the focus areas of the acquis in the context of accession negotiations with candidate countries.
Neighbourhood Development and International Cooperation Instrument (NDICI)	EU programme under the 2021-2027 multiannual financial framework that combines several external action instruments into one.

Notional approach	Approach used by the Commission where EU contributions to multi-donor projects are pooled with those from other donors and not earmarked for specific items of expenditure.
Omnibus Regulation	A 2018 revision of the Financial Regulation, amending and simplifying the EU's financial rules and budgetary management.
Operational programme (OP)	The basic framework for implementing EU-funded cohesion projects in a set period, reflecting the priorities and objectives laid down in partnership agreements between the Commission and individual Member States.
Orthophoto	An aerial photograph compensating for elevation, tilt, and surface topography in order to harmonise distance measurements.
Output	Something produced or achieved by a project, such as delivery of a training course or construction of a road.
Outstanding commitments	The sum of commitments made but not yet translated into payments.
Overseas Association Decision	Decision establishing a partnership between the EU and its overseas countries and territories in order to support their sustainable development and promote the EU's values and standards.
Overseas countries and territories (OCTs)	Countries and territories that are not part of the EU but are linked constitutionally to three of its member states (Denmark, France and the Netherlands).
Own resources	The funds used to finance the EU budget, the vast majority coming from Member State contributions.

Partnership agreement (PA)	An agreement between the Commission and a Member State or third country/-ies in the context of an EU spending programme, setting out, for example, strategic plans, investment priorities or the terms of trade or development aid provision.
Paying agency (PA)	A body appointed by a Member State to administer EU agricultural spending.
Payment appropriation	An authorisation to make a payment once the corresponding conditions have been met.
Payment entitlement	A transferable right that entitles an active farmer to EU support, when declared together with eligible agricultural land.
Performance	A measure of how well an EU-funded action, project or programme has met its objectives and provides value for money.
Performance reserve	An amount of the budget allocated to European Structural and Investment Fund spending which is retained until certain targets are met.
Permanent grassland	Agricultural land on which grasses or other herbaceous forage crops are grown for more than five consecutive years.
Personal protective equipment (PPE)	Items, such as face masks, gloves and eye protection, that are designed to protect the wearer against health or safety risks.
Post-release customs checks	Customs controls applied after goods have been released by the customs authorities.
Potential candidate	Country or territory which has a clear prospect of joining the EU in the future but has not yet been granted candidate country status.
Prefinancing payment	A cash advance to fund defined activities in a given period.
Priority axis	A key objective of an operational programme, divided into one or more investment priorities.

Programme	The means by which specific EU policy objectives are delivered, generally through co-financed projects.
Programme authorities	The collective term for the managing, certifying and audit authorities in cohesion spending.
Programme countries (Erasmus+)	The EU Member States, North Macedonia, Iceland, Liechtenstein, Norway, Serbia and Turkey.
Programme estimate	A document, drawn up by a partner country and endorsed by the European Commission, setting out the cooperation or development work to be implemented, and the financial, human and material resources required.
Programme performance overview (PPO)	Annex to the AMPR summarising all programme statements, including a selection of programme indicators.
Programme statement (PS)	Justification for the operational appropriations requested by the Commission for each spending programme in the draft annual budget, based on implementation in previous years measured through indicators.
Programming period	The period within which an EU spending programme is planned and implemented.
Provision	An accounting term for the best estimate of a likely future liability of uncertain timing or amount, recorded on the balance sheet.
Provisioning rate	Percentage of an authorised financial liability which must be reflected as a provision.
Public procurement	The purchase by a public body or other authority of works, supplies or services, through an open and competitive procedure, in order to achieve quality and value for money.

Quantifiable error	In reporting the results of transaction testing, a classification used by the ECA when the amount of a transaction affected by error can be measured.
Recoverable VAT	The VAT that a taxable person can deduct from the VAT payable to the tax authorities, on account of their having already paid this amount on their own purchases of goods and services.
Recovery order	A document requiring the payment of an amount owed.
Register of exceptions	Document recording departures from established controls and procedures, including reasons and impact.
Regularity / Legality and regularity	The extent to which a transaction or activity complies with the applicable rules and regulations and any contractual obligations.
Representative error rate	A statistical estimate of the error affecting a population, based on testing of a representative sample of transactions drawn from that population.
Representative statistical sampling	The application of statistical techniques to draw a sample which reflects the characteristics of the population from which is it taken.
Reservation	Weakness flagged by a director-general in the declaration of assurance they provide in an annual activity report.
Resettlement	The transfer of refugees from a country where they have applied for asylum to another country that has agreed to admit them and ultimately grant them permanent settlement.
Residual error rate / Residual risk rate / Residual total error rate (RER/RRR/RTER)	The proportion of a population that is not deemed regular after taking into account the effect of all control procedures, recoveries and corrections.

Result	The immediate effect of a project or programme upon its completion, such as the improved employability of course participants or improved accessibility following the construction of a new road.
Result indicator	A measurable variable providing information for assessing the immediate effects of supported projects on the targeted population.
Rural development programme (RDP)	A set of national or regional multiannual objectives and actions, approved by the Commission, for the implementation of EU rural development policy.
Scientific, Technical and Economic Committee for Fisheries (STECF)	Body of experts appointed by the Commission to assist with implementation of the common fisheries policy.
Scope limitation	Indication in an audit report of any areas in which the auditor was unable to reach a conclusion and which are therefore excluded from the audit opinion.
Sensitive function	A job or position involving a considerable amount of autonomy or executive power that could be misused for personal financial or other gain.
Settlement	Payment of the balance due to, or the recovery of funds from, a Member State, in order to close an EU programme.
Shared management	A method of spending the EU budget in which, in contrast to direct management, the Commission delegates to the Member State while retaining ultimate responsibility.
Simplified cost option (SCO)	An approach for determining a grant amount using methods such as standard unit costs, flat-rate financing or lump sums rather than the actual costs incurred by the beneficiary. Designed to reduce the administrative burden.

Single area payment scheme (SAPS)	An area-related agricultural payments scheme applied in ten Member States on a transitional basis, under which farmers receive a standard amount of aid per hectare. All other Member States apply the basic payment scheme.
Small and medium-sized enterprises (SMEs)	A size definition applied to companies and other organisations, based on the number of staff employed and certain financial criteria. Small enterprises have fewer than 50 staff, and turnover or a balance sheet total not exceeding €10 million. Medium-sized enterprises employ fewer than 250 staff, and have turnover up to €50 million or a balance sheet total up to €43 million.
SME Initiative	Joint Commission / European Investment Fund financial instrument whose purpose is to facilitate access to finance for small and medium-sized enterprises.
Sound financial management	The management of resources in accordance with the principles of economy, efficiency and effectiveness.
Staff working document (SWD)	A non-binding Commission document produced for discussion, either internally or outside the institution.
State aid	Direct or indirect government support for a business or an organisation, putting it at an advantage over its competitors.
Statement of assurance (SoA/DAS)	A statement published in the ECA's annual report, setting out its audit opinion on the reliability of the EU accounts and the regularity of the transactions which underlie them.
Statistical sampling	A statistically based sampling technique used in audit testing to provide representative results.
Sustainable development	An approach to development that takes account of long-term imperatives, such as durability of results, the preservation of the environment and natural resources, and social and economic equity.

Sustainable fishing	Fishing practices that do not deplete fish stocks, and that minimise environmental impact.
TOR open point	Reservation expressed by the Commission on the TOR data in a Member State's revenue accounts.
Total allowable catch	The maximum that can be caught from a stock of fish each year under the common fisheries policy.
Traditional own resources (TOR)	EU revenue collected from customs duties and sugar levies.
Transaction	An operation recorded in the EU's accounts, such as a payment made or revenue received.
Trans-European network (TEN)	Network of cross-border transport, energy or telecommunications infrastructure established to support and enhance the functioning of the EU single market by facilitating the free movement of people, goods and services.
Transversal specific reservation	A cross-cutting type of specific GNI reservation.
Twinning	A mechanism for building capacity in specialised areas whereby a body in a partner country receives support from a counterpart in an EU Member State.
Umbrella programme	A European Neighbourhood Instrument programme under which funds are allocated to multiple countries that meet certain conditions, as a supplement to their basic financial allocations.
Union Customs Code	The main piece of EU customs legislation.
Value added tax (VAT)	An indirect consumption tax on the production and distribution of goods and the provision of services, ultimately borne by the final consumer.
Value added tax-based / VAT-based own resource	EU own resource consisting of a defined share (call rate) of the VAT collected by each Member State.

VAT assessment base	Total value of goods and services to which VAT is applied.
VAT call rate / VAT call-in rate	Percentage applied to each Member State's VAT assessment base to calculate the VAT-based own resource.
VAT reservation	Reservation on a Member State's calculation of its VAT-based own resource.
Youth Employment Initiative (YEI)	EU programme which supports young people not in education, employment or training in regions with a youth unemployment rate above 25 %.