# Multiannual financial framework (MFF) for the years 2014-2020: transfer of unused allocations for the year 2014

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PURPOSE: to amend Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

CONTENT: Article 19 of Council Regulation No 1311/2013 stipulates that in the event of the adoption after 1 January 2014 of new rules or programmes under shared management for the Structural Funds, the Cohesion Fund, the European Agricultural Fund for Rural Development, the European Maritime and Fisheries Fund, the Asylum and Migration Fund and the Internal Security Fund, the MFF shall be revised in order to **transfer to subsequent years**, in excess of the corresponding expenditure ceilings, **allocations not used in 2014**.

The revision concerning the transfer of unused allocation for the year 2014 shall be adopted before 1 May 2015.

It thus applies to programmes adopted after 1 January 2014 even when the relevant legal act was adopted by that time. Moreover, ‘rules’ covers not only the basic legislative acts laying down the provisions for implementing the funds concerned, but also implementing and delegated acts, to the extent to which they are a prerequisite for preparing or finalising the programmes.

Consequently, this provision also applies to funds from the specific allocation for the Youth Employment Initiative as the legal basis is the same as for programmes.

It also applies to the Fund for European Aid to the most Deprived (FEAD) as its commitments originate from the Structural Funds and are implemented under shared management.

Article 19 also covers contributions from the ERDF to the cross-border and sea-basin programmes established under the European Neighbourhood Instrument and the Instrument for Pre-Accession Assistance as those amounts are part of national allocations defined in Article 91(2) of the ESI Funds’ Common Provisions Regulation (CPR). It should be noted that Article 19 does not impose any constraints as to the profile of the transfer of allocations to subsequent years.

**Amounts concerned**: as a result of such late adoption:

- EUR 11 216 187 326 in current prices of the allocation provided for the Structural Funds and the Cohesion Fund,
- EUR 9 446 050 652 in current prices of the allocation provided for the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund,
- EUR 442 319 096 of the allocation provided for the Asylum, Migration and Integration Fund and the Internal Security Fund could not be committed in 2014 nor carried over to 2015.

This proposal seeks to **amend Annex to Regulation (EU, Euratom) No 1311/2013 by transferring the commitment appropriations not used in 2014 to subsequent years for sub-heading 1b, heading 2 and heading 3**.

N.B. the Commission proposes to transfer the bulk of the allocations not used in 2014 to year 2015 in order to keep the pace of investments for growth and jobs, minimise differences of treatment with programmes adopted in 2014 and ensure equal treatment with programmes whose 2014 commitment tranche is carried-over in accordance with Article 13 of the Financial Regulation.

An annex sets outs details of the amounts transferred by the Funds concerned and by year of transfer.

IMPLICATIONS ON PAYMENTS: concerning the implications on payments in 2015, they will be covered within the voted budget for 2015. The first initial pre-financing that has not been paid in 2014 will have to be paid in 2015 together with the second pre-financing. However, the corresponding unused appropriations in 2014 have been used by transfers to reduce the backlog of unpaid bills from the previous period 2007-2013 and the reverse operation could be done, if need be, in 2015 to cover the pre-financings.

The medium and longer term implications on interim payments of the transfer are more difficult to predict.

The legislative acts laying down the provisions for implementing the funds contain provisions for the automatic decommitment of appropriations not used within a given deadline, which is of n+3 years for the ESI Funds and of n+2 years for the AMIF and the ISF. This could in principle result in a shift of payments from one year to another without this lowering the overall needs over the 2014-2020 period.

On the other hand, the real pace of implementation will not be pre-determined by the transfer.

For these reasons, **the Commission does not propose to revise the payment ceilings**. It will review the situation regularly in the light of implementation and make proposals if appropriate in accordance with the relevant provisions of the MFF Regulation.