# Multiannual financial framework for the years 2014-2020

2011/0177(APP) - 30/06/2016 - Follow-up document

Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (MFF Regulation) as amended by Council Regulation (EU, Euratom) No 2015/623 and as adjusted in the technical adjustment for 2016, contains the financial framework table for EU-28 for the period 2014-2020, expressed in 2011 prices.

According to Article 6(1) of the MFF Regulation, the Commission each year, ahead of the budgetary procedure for year n+1, **makes a technical adjustment to the multiannual financial framework (MFF)** in line with movements in the EU's gross national income (GNI) and prices, and communicates the results to the Council and the European Parliament. As far as prices are concerned, expenditure ceilings at current prices are established **using the fixed 2% deflator** as provided for in Article 6(2) of the MFF Regulation. As far as movements in GNI are concerned, the present Communication includes the latest economic forecasts available.

At the same time, the Commission calculates the following elements;

- the margin available under the own-resources ceiling set in accordance with Decision 2007/436/EC, Euratom;
- the absolute amount of the contingency margin provided for in Article 13;
- **the global margin for payments** provided for in Article 5, and
- the global margin for commitments provided for in Article 14 of the MFF Regulation.

The sub-ceiling for heading 2 concerning market related expenditure and direct payments is adjusted following the transfers between pillar I and rural development in accordance with the legal act establishing these transfers.

According to Article 7 of the MFF Regulation, in 2016 the Commission will **review all Member States' total allocations** under the "Investment for growth and jobs" goal of the cohesion policy for the years 2017 -2020, together with the technical adjustment of the financial framework for 2017.

The purpose of this communication is to present to the Council and the European Parliament the result of the technical adjustments (EU-28) for 2017 according to Article 6 of the MFF Regulation and of the review of the cohesion envelopes and corresponding adjustment of the ceilings according to Article 7 of the MFF Regulation.

**Payments**: with respect to the matter of payments, the communication indicates that according to Article 5 of the MFF Regulation, the Commission must adjust the payment ceiling for the years 2015-2020 upwards by an amount equivalent to the difference between the executed payments and the MFF payment ceiling of the year n-1. **Any upward adjustment shall be fully offset by a corresponding reduction of the payment ceiling for year n-1.**

In the technical adjustment for 2016, **the remaining margin of 2014 (EUR 104 million) was transferred to 2015 (EUR 106 million)** and the ceilings were adjusted accordingly. In this year's technical adjustment the global margin for payment (GMP) for 2015 is calculated.

The payments for other special instruments are treated as being over and above the MFF ceilings. The 2015 payment ceiling was EUR 142 007 million in current prices. The payments executed in 2015 amount to EUR 141 126.2 million. This amount consists of the executed payments of the payment appropriations authorised in the 2015 budget (EUR 139 827.3 million) and carry-overs from 2015 to 2016 (EUR 1 298.9 million). The payments for special instruments are excluded from the execution (EUR 378.7 million, consisting of EUR 378.1 million executed and EUR 0.6 million carried-over). Therefore, the execution taken into account for the calculation of the GMP is: EUR 140 747.5 million.

**All carry-overs from 2014 to 2015 were counted as executed for the purposes of the calculation of the 2014 GMP** but not all of them were actually executed. Therefore the lapsed carry-overs need to be added to the calculation, as they constitute under execution. The lapsed carry overs from 2014 to 2015 amount to EUR 28.6 million, of which EUR 0.2 million was for the special instruments. The total amount of the lapsed carryovers taken into account is thus EUR 28.4 million.