

Multiannual financial framework for the years 2014-2020

2011/0177(APP) - 15/09/2017 - Follow-up document

The Commission presented a communication on the technical adjustment of the financial framework for 2018 to the evolution of gross national income (GNI).

According to Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework (MFF) for the years 2014-2020, the Commission makes each year, ahead of the budgetary procedure for year $n+1$, 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% annual 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 margin available under the own resources ceiling set in accordance with Decision 2007/436/EC, Euratom, the absolute amount of the Contingency Margin, the global margin for payments, and the global margin for commitments provided for in the MFF Regulation.

The entry into force with retroactive effect of the Own Resources Decision 2014 ([ORD 2014](#)) made it possible to adapt the own resources ceilings and the ceiling on appropriations for commitments to the new GNI data in accordance with the European System of Accounts (ESA 2010). The maximum amount of own resources is now set at 1.20 % of GNI (previously 1.23 %) and the maximum amount of commitments at 1.26 % of GNI (previously 1.29 %).

The purpose of this communication is to present to the Council and the European Parliament the result of these technical adjustments (EU-28) for the 2018 financial year. In the interests of transparency, this Communication **updates and replaces the communication on the same subject presented on 24 May 2017**. The adjustments of figures in this communication stem directly from the amendment of the MFF Regulation by [Regulation \(EU, Euratom\) 2017/1123](#).

Main results of the technical adjustment of the MFF for 2018: compared to the technical adjustment for 2017 the figures for GNI are now recorded according to ESA 2010 instead of ESA 95. According to the latest forecast available, the GNI for 2018 is established at EUR 15 704 241 million in current prices for EU-28.

The overall ceiling for **commitment appropriations** for 2018 (EUR 159 514 million) equals **1.02 % of GNI**.

The corresponding overall ceiling concerning the **payment appropriations** (EUR 154 565 million) equals **0.98% of GNI**. On the basis of the latest economic forecasts, this leaves a margin beneath the 1.20% own resources ceiling of EUR 33 886 million (0.22% of GNI for EU-28).

Overall margin for payments: this results in an unchanged overall payment ceiling for the period 2014-20 in 2011 prices and an increase of the overall payment ceiling by **EUR 858 million in current prices**.

Emergency Aid Reserve: the Reserve can be mobilised up to a maximum amount of EUR 300 million per year in 2011 prices, or EUR 344.6 million in 2018 at current prices (EUR 2 301.4 million for the whole period in current prices). The portion of the unused amount of the previous year can be carried over to the following year. The carry-over from 2016 to 2017 amounts to **EUR 98.6 million**.

European Union Solidarity Fund: the EU Solidarity Fund can be mobilised up to a maximum amount of EUR 500 million per year in 2011 prices, or EUR 574.3 million in 2018 at current prices (EUR 3 944.7 million for the whole period in current prices). The portion of the unused amount of the previous year can be carried over to the following year. The carry-over from 2016 to 2017 amounts to EUR 563.1 million. The amount of EUR 508.1 million which lapsed at the end of 2016 is used to increase the Flexibility Instrument in 2017.

Flexibility Instrument: this Instrument can be mobilised up to a maximum annual amount of EUR 600 million in 2011 prices, or EUR 676 million in 2017 and EUR 689 million in 2018 in current prices. The portion of the unused annual amounts of the previous 3 years may be carried over. The full amount of the Flexibility Instrument before 2017 has been used so that **EUR 1 322 million in current prices** are available in 2017.

European Globalisation Adjustment Fund: this fund can be mobilised up to a maximum of EUR 150 million per year in 2011 prices, or EUR 172.3 million in 2018 in current prices. Unused amounts of previous year cannot be carried over. The amount of EUR 137.6 million which lapsed at the end of 2016 is used to increase Flexibility

Instrument in 2017.

Contingency Margin: according to the MFF Regulation, a Contingency Margin of up to 0.03 % of the Gross National Income of the Union shall be constituted outside the ceilings of the financial framework for the period 2014-2020. The absolute amount of the Contingency Margin for the year 2018 is **EUR 4 711.3 million**.

Global margin for commitments for growth and employment, in particular youth employment, and for migration and security measures (GMC): the amount of the remaining margin from 2016 which shall be made available for 2017 corresponds to EUR 2 090.2 million in current prices in 2016 or EUR 2 132.0 million in current prices in 2017 (EUR 2 174.7 million in current prices in 2018). The amount of GMC in 2011 prices corresponds to **EUR 1 893.2 million**.