

Multiannual financial framework for the years 2014-2020

2011/0177(APP) - 15/05/2019 - Follow-up document

The Commission presented a communication on the technical adjustment of the financial framework for 2020 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 the new Own Resource Decision 2014/335/EU, Euratom (ORD 2014), 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 the technical adjustments for 2020 according to Article 6 of the MFF Regulation.

For the purpose of this technical adjustment, the United Kingdom shall be counted as a Member State.

GNI

The GNI for 2020 is established at EUR 16 989 408 million in current prices for EU-28.

Main results of the MFF technical adjustment for 2019

The overall ceiling for commitment appropriations for 2020 (EUR 168 797 million) equals 0.99% of GNI. The corresponding overall ceiling concerning the payment appropriations (EUR 172 420 million) is equivalent to 1.01% of GNI. On the basis of the latest economic forecasts, this leaves a margin beneath the 1.20% own resources ceiling of EUR 31 453 million (or 0.19% of GNI) for EU-28.

Adjustment of the sub-ceiling for Heading 2

According to the MFF Regulation, the sub-ceiling for heading 2 for market related expenditure and direct payments (first pillar) in the period 2014 to 2020 shall be adjusted following the transfers between the first and second pillars in accordance with the legal act establishing these transfers. The total amount of the Heading 2 ceiling does not change.

The report contains a table showing the net result of transfers between the two pillars of the CAP and their impact on the sub-ceiling of heading 2.

Global margin for payments (GMP)

As a result of the GMP transfers in previous years only EUR 183 million (2011 prices) is transferred to 2020 i.e. the remaining amount below the threshold of EUR 13 billion. This results in an unchanged overall payment ceiling for the period 2014-2020 in 2011 prices and an increase of the overall payment ceiling by EUR 9 million in current prices.

Emergency Aid Reserve

This Reserve can be mobilised up to a maximum amount of EUR 300 million per year in 2011 prices, or EUR 358.5 million in 2020 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 2018 to 2019 amounts to EUR 34.1 million.

European Union Solidarity Fund

This Fund can be mobilised up to a maximum amount of EUR 500 million per year in 2011 prices or EUR 597.5 million in 2020 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 2018 to 2019 amounts to EUR 265.3 million. No amount lapsed at the end of 2018.

Flexibility Instrument

This Instrument can be mobilised up to a maximum annual amount of EUR 600 million in 2011 prices, or EUR 717 million in 2020 in current prices (EUR 4 315 million for the whole period in current prices). The portion of the unused annual amounts of the previous 3 years may be carried over. Starting in 2017, the annual amount available for the Flexibility Instrument shall be increased by the amounts equivalent to the portion of the annual amount for the European Union Solidarity Fund and the European Globalisation Adjustment Fund which have lapsed in the previous year.

European Globalisation Adjustment Fund

The European Globalisation Adjustment Fund can be mobilised up to a maximum of EUR 150 million per year in 2011 prices, or EUR 179.3 million in 2020 in current prices (EUR 1 183.4 million for the whole period in current prices). Unused amounts of previous year cannot be carried over. The amount of EUR 144 million which lapsed at the end of 2018 is used to increase Flexibility Instrument in 2019.

Contingency Margin

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 2020 is EUR 5 096.8 million.

Global Margin for Commitments for growth and employment, in particular youth employment, and for migration and security measures (GMC)

Margins left available below the MFF ceilings for commitment appropriations shall constitute a Global MFF Margin for commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment, and to migration and security.

In the final budget 2018 the margin left available under the commitment ceiling amounts to EUR 1 390.9 million.

The amount of the remaining margin from 2018 which shall be made available for 2019 corresponds to EUR 1 390.9 million in current prices in 2018 or EUR 1 418.7 million in current prices in 2019²⁴ (EUR 1 447.1 million in current prices in 2020). The amount of GMC in 2011 prices corresponds to EUR 1 210.9 million.