



# **MFF 2014-2020**

## **Mid-term**

### **review / revision**

**Presentation of Commission proposals  
to Coreper**

**21 September 2016**

# MID-TERM REVIEW PACKAGE

## PACKAGE

- Mid-term review Communication (and Staff working document)
- Proposal for a revision of MFF regulation and IIA (for flexibility);
- A proposal for simplifying financial rules under the Financial Regulation and relevant basic acts (omnibus);

## LINKED PROPOSALS (i.a.):

- Proposal for doubling the size of EFSI;
- Proposal for the European Fund for Sustainable Development Fund (under the External Investment Plan)
- WIFI4EU

# **Main objectives of the package**

- Allocate funds to priorities**
- Increase flexibility and agility**
- Simplify spending rules**
- Within the agreed MFF ceilings**

## Overall financial package

<b>Mid-term review/revision</b>	<b>6.3 BN EUR</b>	<b>Total</b> <b>12.8 BN EUR</b>
<b>Technical adjustment of cohesion policy envelopes - <i>with focus on migration, youth employment and investment</i></b>	<b>4.6 BN EUR</b>	
<b>Draft budget 2017 - <i>additional spending on migration</i></b>	<b>1.8 BN EUR</b>	



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**Mid-term Review  
6.3 BN EUR**

**Jobs and growth  
2.4 BN EUR**

**Migration  
3.9 BN EUR**

- Highly oversubscribed programmes:**
- COSME  
200 Mio EUR
  - Horizon 2020  
400 Mio EUR
  - CEF-transport  
400 Mio EUR
  - Erasmus+  
200 Mio EUR

**YEI  
1 BN EUR**

**EFSI 2.0  
150 Mio  
EUR**

**WIFI4EU  
50 Mio  
EUR**

**Internal EU  
2.55 BN EUR  
(EBCG etc.)**

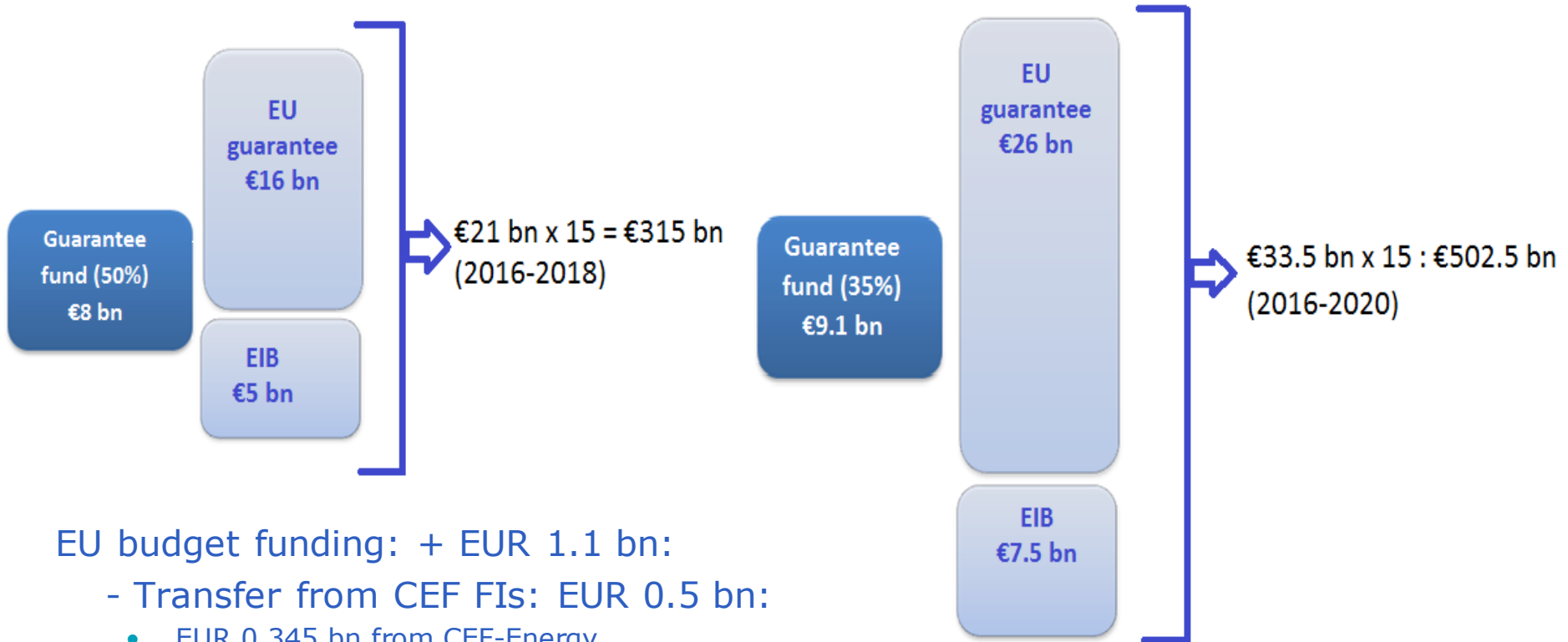
**External EU  
1.4 BN EUR**

**External  
Investment  
Plan  
250 Mio EUR**

**Migration  
Compacts  
750 Mio  
EUR**

**ELM  
and  
MFA  
385  
Mio  
EUR**

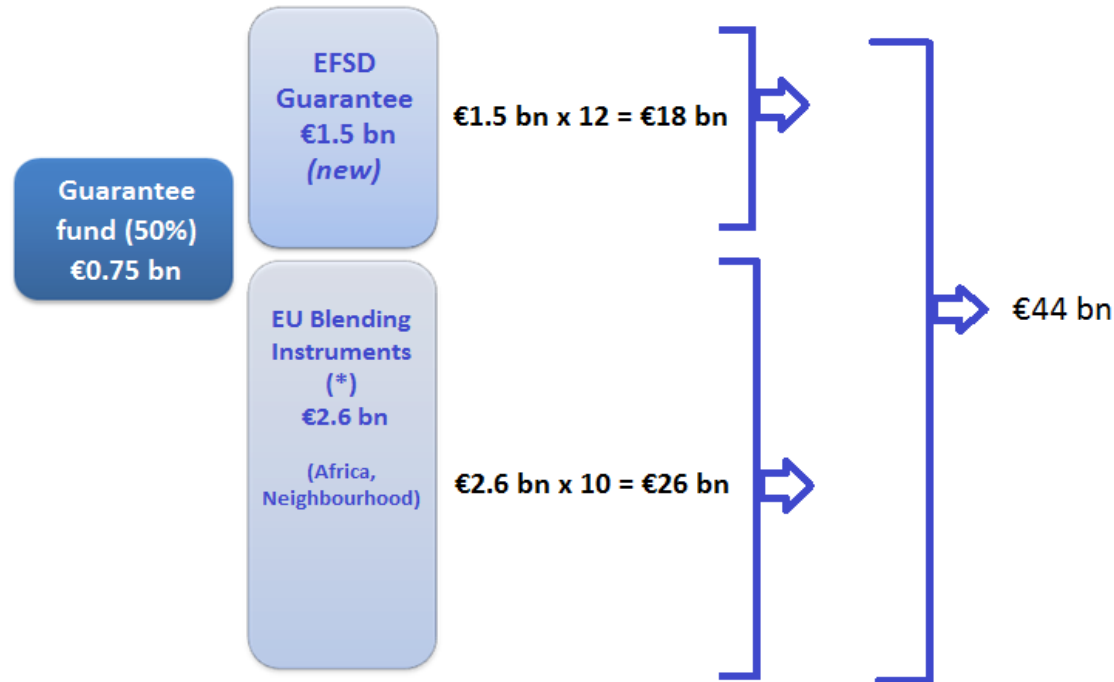
# EFSI 2



EU budget funding: + EUR 1.1 bn:

- Transfer from CEF FIs: EUR 0.5 bn:
  - EUR 0.345 bn from CEF-Energy
  - EUR 0.155 bn from CEF-Transport
- EFSI Reflows: EUR 0.45 bn
- Unallocated margins: EUR 0.15 bn

# EFSD



EU budget funding: + EUR 3.35 bn

- EDF: EUR 2 bn
- EU budget: EUR 1.35 bn
  - ENI: EUR 0.94 bn
  - DCI: EUR 0.16 bn
  - Margins: EUR 0.25 bn

to finance:

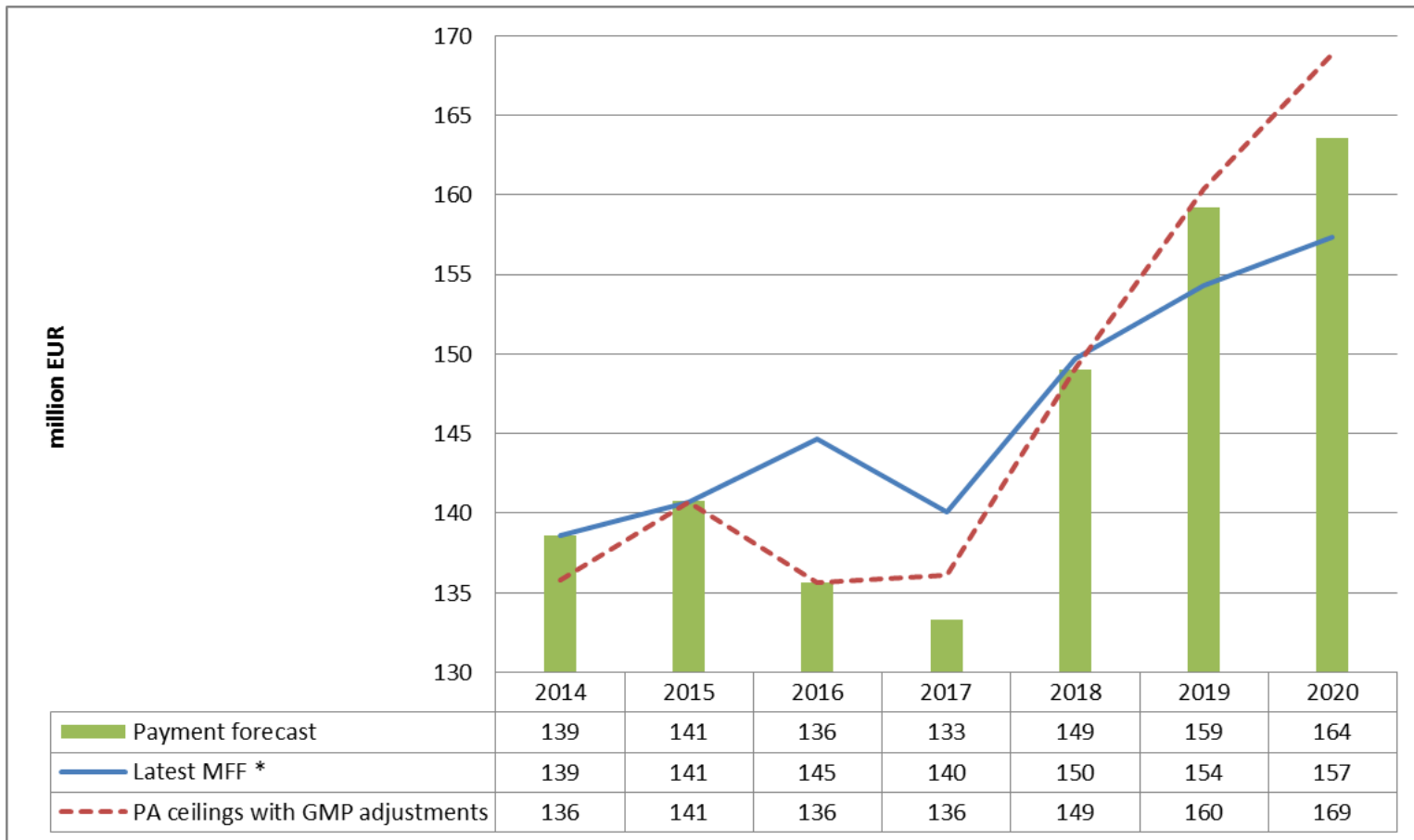
- EFSD guarantee fund (EUR 0.75 bn)
  - EDF: EUR 0.4 bn
  - ENI: EUR 0.1 bn
  - Margins: EUR 0.25 bn)
- blending instruments (EUR 2,6 bn)

## Increase flexibility and agility

- **Doubling the size** of the existing flexibility instrument and Emergency Aid Reserve
- Creating a **new European Union Crisis Reserve** financed **from de-committed appropriations**
- **Lifting the restrictions to the global margins for commitments and payments**
- More flexibility through simplification of financial rules; e.g. **"flexibility cushion"** for external action instruments.



# CURRENT PAYMENT FORECASTS ...



## PAYMENTS

- MTR proposal is within the MFF payment ceiling
- Payments for Special instruments are counted above the ceilings
- Global margin for payments used fully to provide the maximum flexibility required



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# Simplify spending rules

## A simplified single EU financial rule book

replacing the Financial Regulation (FR) and its Rules of Application

## Simplifications of 15 other

legislative acts (mostly European Structural and Investment Funds rules)

→ increase the flexibility of the budget

→ simplify its implementation to optimise EU spending for 2018 onwards



Package of general and sectorial rules  
Towards a single rule book

**25% less text**

## **Simpler and more flexible financial rules - important elements of the package -**

- 1. Simplification for recipients of EU funds**
  - 2. From multiple layers of controls to cross reliance on audit, assessment or authorisation, and harmonisation of reporting requirements**
  - 3. Allowing the application of only one set of rules to hybrid actions or in the case of combination of measures or instruments**
  - 4. More effective use of financial instruments**
  - 5. More flexible budget management**
  - 6. Focus on results and streamlining of reporting**
  - 7. Simpler and leaner EU administration**
  - 8. Providing possibility for citizen engagement**
- ⇒ **But no weakening of sound financial management!**

# Issues bridging to the next MFF

- *Duration: 5 years, 5+5 years or 7 years?*
- *Reset Priorities: Defence, Security, Migration*
- *Post-Cotonou relations to ACP countries / budgetisation EDF*



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# Timing

**Budget 2017** Budgetary procedure ●

**TA cohesion** Reprogramming for 2017-2020 ●

**MFFR** Special procedure ●

**Omnibus** Ordinary procedure ●

**EFSI 2** Ordinary procedure ●

**EFSD** Ordinary procedure ●


**EIB ELM** Ordinary procedure ●

**2016**

**2017**

● = Target date for adoption **2018**

## 2014 OWN RESOURCES DECISION RATIFIED

- 19/9 the last MS ratified  **entry into force 1/10 or 1/11** (notification pending)
- **Budgeting:** 2014-2016 impact in a single AB (to be presented asap), DB 2017 financing to be recalculated
- **Call for funds:** 2014-2016 impact in one single call **in January 2017;**
- **Stability and Growth Pact impact:** one off effect of 2014-2015 + level change for 2016 **counted in 2016;**
- **VAT/GNI balances:** new rules – call in January, **payment in June 2017;**