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PROPOSAL

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date of receipt:	29 February 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2024) 100 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 2021/522, (EU) No 2021/1057, (EU) No 2021/1060, (EU) No 2021/1139, (EU) No 2021/1229, and (EU) No 2021/1755 as regards the changes to the amounts of funds for certain programmes and funds

Delegations will find attached document COM(2024) 100 final.

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Brussels, 29.2.2024
COM(2024) 100 final

2024/0060 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending

Regulations (EU) 2021/522,
(EU) 2021/1057,
(EU) 2021/1060,
(EU) 2021/1139,
(EU) 2021/1229,
and
(EU) 2021/1755 as regards the changes to the amounts of funds for certain programmes and funds

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- Reasons for and objectives of the proposal

On 20 June 2023, the Commission adopted a proposal for the mid-term revision of the Multiannual Financial Framework[1] (MFF) aiming at reinforcing the EU's long-term budget to increase the Union's resilience and leadership in the most urgent priorities and needs, notably strengthening the EU support to Ukraine.

On 29 February 2024, the Council adopted an amendment to Regulation (EU, Euratom) 2020/2093[2] with the consent of the European Parliament for the mid-term revision of the MFF.

The MFF revision includes increases of resources for several EU programmes. To mitigate the impact of the revision of the MFF on national budgets, these increases will be partly compensated by redeployments and reprioritisations within the EU budget. The net increase of funding for new priorities amounts to EUR 21 billion until the end of this MFF.

This requires modifying the expenditure ceilings, as well as, in some cases, amendments of the budgetary provisions of the legislative acts establishing the programmes and instruments concerned, in line with the provisions of point 18 of the Interinstitutional Agreement of 16 December 2020[3] as regards the incorporation of financial provisions in legislative acts.

The following Regulations must be amended as the appropriate reductions to the financial envelopes of the programmes go beyond the flexibility under that Interinstitutional Agreement:

– Regulation (EU) 2021/522 of the European Parliament and of the Council[4],

– Regulation (EU) 2021/1057 of the European Parliament and of the Council[5],

– Regulation (EU) 2021/1060 of the European Parliament and of the Council[6],

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1 COM(2023)337, 20.06.2023

2 Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L, 2024/765, 29.02.2024).

3 Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources, OJ L 433I, 22.12.2020, p. 28.

4 Regulation (EU) No 2021/522 of the European Parliament and of the Council of 24 March 2021 establishing a Programme for the Union's action in the field of health ('EU4Health Programme') for the period 2021-2027, and repealing Regulation (EU) No 282/2014 (OJ L 107, 26.3.2021, p. 1)

5 Regulation (EU) No 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L231, 30.6.2021, p. 21)

6 Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and

– Regulation (EU) 2021/1139 of the European Parliament and of the Council[7],

– Regulation (EU) 2021/1229 of the European Parliament and of the Council[8],

– Regulation (EU) 2021/1755 of the European Parliament and of the Council[9],

In addition, there is a parallel amendment increasing the financial envelope of the Border Management and Visa Instrument (BMVI), which is not included in the present proposal due to the different voting rules.

There is a pressing need to provide the Union with appropriate funding and to provide legal certainty to the preparations of the draft budget of the Union for the financial year 2025, as well as for the financial programming for the years 2026 and 2027. The Commission therefore calls on the European Parliament and the Council to ensure a rapid adoption via the use of an urgent adoption procedure.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The proposal is based on Article 43(2), Article 164, Article 168(5), Article 175 and Article 177 of the Treaty on the Functioning of the European Union ('TFEU') which are the relevant legal bases for the specific provisions of the Regulations to be amended.

• Subsidiarity (for non-exclusive competence)

This proposal is in line with the subsidiarity principle, as it only affects the budgetary provisions of the Regulations to be amended, not their scope, objective, or delivery mode.

• Proportionality

This proposal respects the proportionality principle, as it is limited to changes strictly necessary to give effect to the amendment to Regulation (EU, Euratom) 2020/2093.

• Choice of the instrument

The regulations listed above are to be amended by way of a Regulation to give effect to the amendment of Council Regulation 2020/2093. The inclusion of all necessary amendments (except for the one to the Border Management and Visa Instrument) in a single legislative proposal aims at ensuring a coherent negotiation process as well as at facilitating the adoption by the legislator as a matter of urgency.

Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159)

7 Regulation (EU) No 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004 (OJ L 247, 13.7.2021, p. 1)

8 Regulation (EU) No 2021/1229 of the European Parliament and of the Council of 14 July 2021 on the public sector loan facility under the Just Transition Mechanism (OJ L 274, 30.7.2021, p. 1)

9 Regulation (EU) No 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357, 8.10.2021, p. 1)

3. BUDGETARY IMPLICATIONS

The amendment to Regulation (EU, Euratom) 2020/2093 includes reinforcements of several programmes and priorities, whose impact on national budgets is mitigated by redeployments of funds from a set of EU programmes. This proposal aims at implementing these redeployments.

Under Heading 2a, this proposal will result in a reduction of the resources allocated to Interregional Innovation Investments by EUR 75 000 000 in current prices (EUR 64 020 145 in 2018 prices), the European Urban Initiative by EUR 55 000 000 in current prices (EUR 46 929 686 in 2018 prices), ESF+ Transnational Cooperation by EUR 65 000 000 in current prices (EUR 55 473 996 in 2018 prices). It will also make it possible to reduce the amount used as technical assistance at the initiative of the Commission; the reduction is estimated at EUR 210 000 000 in current prices (EUR 178 656 655 in 2018 prices) for the period 2025-2027.

Under Heading 2b, it is proposed to reduce the EU4Health amount by EUR 1 000 000 000 in current prices (845 000 000 in 2018 prices) for the period 2025-2027 from the programme-specific adjustment defined in Article 5 and Annex II of the Council Regulation (EU, Euratom) 2020/2093[10].

Under Heading 3, it is proposed to reduce the resources allocated to the Public Sector Loan Facility by EUR 150 000 000. The European Maritime, Fisheries and Aquaculture Fund's (EMFAF) direct and indirect management resources for the period 2025-2027 will be reduced by EUR 105 000 000.

Concerning special instruments, it is proposed to reduce the resources provisionally allocated to the Brexit Adjustment Reserve by EUR 584 264 090.

The above reductions are expressed in current prices and set a limit on the amounts of commitment appropriations to be included in the annual budgets for years 2025, 2026 and 2027.

4. OTHER ELEMENTS

Implementation plans and monitoring, evaluation and reporting arrangements

The proposed amendments aim to give effects to the mid-term revision of the MFF and do not aim to modify the monitoring and reporting obligations of the Regulations that are proposed to be amended.

- **Detailed explanation of the specific provisions of the proposal**

The proposal is limited to the introduction of targeted amendments to existing Regulations. It aims to give effect to the mid-term revision of the MFF, in addition to Regulation (EU, Euratom) 2020/2093.

These following changes are proposed:

[10] Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11)

Amendments to Regulation (EU) 2021/522 to adjust the additional allocation to the financial envelope for the EU4Health programme through a reduction of EUR 1 000 000 000 in current prices, and in particular:

– In Article 5, paragraph 2, the programme-specific adjustment provided for in Article 5 of the MFF Regulation, expressed in 2018 prices, is reduced from EUR 2 900 000 000 to 2 055 000 000.

Amendment to Regulation (EU) 2021/1057 to reduce the financial envelope of the European Social Fund Plus (ESF+) Transnational cooperation programmes by EUR 65 000 000 in current prices (EUR 55 473 996 in 2018 prices), and in particular:

– In Article 5, paragraph 2 the initial allocation of EUR 175 000 000 in 2018 prices for the Transnational Cooperation part of the European Social Fund Plus (ESF+) is reduced by EUR 55 473 996 in 2018 prices.

Amendments to Regulation (EU) 2021/1060 to reduce the financial envelopes of Interregional Innovation Investments (I3) by EUR 75 000 000 in current prices (EUR 64 020 145 in 2018 prices), European Urban Initiative by EUR 55 000 000 in current prices (EUR 46 929 686 in 2018 prices), ESF+ Transnational cooperation programmes by EUR 65 000 000 in current prices (EUR 55 473 996 in 2018 prices) and to adjust the corresponding technical assistance rate. In particular:

– In Article 109, paragraph 3 is amended as to set the allocation for technical assistance at the initiative of the Commission as up to 0,35% of the resources for economic, social and territorial cohesion in order to allow for cuts on technical assistance at the initiative of the Commission.

– In Article 110(1), point (f) is amended as to reduce the allocation for interregional innovation investments by EUR 75 000 000 in current prices, paragraph 4 is amended as to reduce the allocation for the European Urban Initiative by EUR 55 000 000 in current prices, and paragraph 5 is amended as to reduce the allocation for Transnational Cooperation under the ESF+ by EUR 65 000 000 in current prices.

Amendments to Regulation (EU) 2021/1139 to reduce by 105 000 000 in current prices the EMFAF financial envelope under direct and indirect management, in particular:

– In Article 7, paragraph 1 is amended as to set the financial envelope for direct and indirect management under EMFAF for EUR 692 000 000 in current prices.

Amendments to Regulation (EU) 2021/1229 to reduce by EUR 150 000 000 in current prices the resources from the Union budget for the Public Sector Loan Facility and setting the available resources for year 2025-2027 to zero, in particular:

– In Article 5, subparagraph a of paragraph 1 is amended as to reduce the resources from Union budget from EUR 250 000 000 to EUR 100 000 000 in current prices.

Amendments to Regulation (EU) 2021/1755 to reduce the remaining provisional allocation that becomes available in 2025 by EUR 584 264 090 in current prices and in particular:

– In Article 4, paragraph 2 is amended as to reduce the maximum resources by 584 264 090. Point (b) of the first subparagraph of paragraph 3 is amended as to reflect that reduction.

2024/0060 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending

Regulations (EU) 2021/522,
(EU) 2021/1057,
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(EU) 2021/1755 as regards the changes to the amounts of funds for certain programmes and funds

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2), Article 164, Article 168(5), Article 175 and Article 177, thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Since the adoption of Regulations (EU) 2021/522[3], (EU) 2021/1057[4], (EU) 2021/1060[5], (EU) 2021/1139[6], (EU) 2021/1229[7] and (EU) 2021/1755[8] of the European

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1 OJ C , , p. .

2 OJ C , , p. .

3 Regulation (EU) No 2021/522 of the European Parliament and of the Council of 24 March 2021 establishing a Programme for the Union's action in the field of health ('EU4Health Programme') for the period 2021-2027, and repealing Regulation (EU) No 282/2014 (OJ L 107, 26.3.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/522/oj).

4 Regulation (EU) No 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L231, 30.6.2021, p. 21, ELI: http://data.europa.eu/eli/reg/2021/1057/oj).

5 Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund

Parliament and of the Council, unprecedented geopolitical events have occurred, triggered by Russia's illegal war of aggression against Ukraine, the ensuing energy crisis and the related spike in inflation and interest rates. These geopolitical and economic developments have brought new emergencies which should be addressed to deliver on the Union's shared priorities and needs. Taking into account the near exhaustion of the limited budgetary flexibilities and the limits reached by redeployment possibilities, the Multiannual Financial Framework (MFF) had to be reinforced for the period 2024-2027 to provide for the funding that is the most essentially needed to respond to urgent and common challenges.

(2) Following the Commission proposal for a targeted revision of the 2021-2027 MFF[9], Council Regulation (EU, Euratom) 2020/2093[10] was amended by Council Regulation 224/765 on 29 February 2024[11].

(3) To give effect to the revision of the MFF, certain sector-specific regulations should be amended, in addition to Regulation (EU, Euratom) 2020/2093.

(4) The additional allocation to the EU4Health programme under Regulation (EU) 2021/522 resulting from the programme-specific adjustment provided for in Article 5 of Regulation (EU, Euratom) 2020/2093 should be reduced.

(5) The initial allocation for the Transnational Cooperation part of the European Social Fund Plus (ESF+) provided for in Regulation (EU) 2021/1057 should be reduced.

(6) The allocation for the European Urban Initiative, Interregional Innovation Investments and for the Transnational Cooperation part of the ESF+, as provided for in Regulation (EU) 2021/1060, should be reduced and the ceiling for technical assistance should be adjusted accordingly.

(7) The financial envelope for direct and indirect management under Regulation (EU) 2021/1139 should be reduced.

Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: http://data.europa.eu/eli/reg/2021/1060/oj).

6 Regulation (EU) No 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004 (OJ L 247, 13.7.2021, p. 1, , ELI: http://data.europa.eu/eli/reg/2021/1139/oj).

7 Regulation (EU) No 2021/1229 of the European Parliament and of the Council of 14 July 2021 on the public sector loan facility under the Just Transition Mechanism (OJ L 274, 30.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1229/oj).

8 Regulation (EU) No 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357, 8.10.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1755/oj).

9 COM(2023)337, 20.06.2023

10 Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11, ELI: http://data.europa.eu/eli/reg/2020/2093/oj).

11 Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L, 2024/765, 29.02.2024, ELI:http://data.europa.eu/eli/reg/2024/765/oj).

(8) The total amount of the grant component of the Public Sector Loan Facility to be financed from the Union budget for the 2021-2027 MFF period in accordance with Regulation (EU, Euratom) 2020/2093 should be reduced.

(9) The maximum resources of the Brexit Adjustment Reserve as provided for in Regulation (EU) 2021/1755 should be reduced.

(10) Overall financial envelopes set out in Regulations (EU) 2021/1057, (EU) 2021/1060 and (EU) 2021/1139 should be read in light of the reductions effected by this Regulation to parts of these programmes.

(11) Regulations (EU) 2021/522, (EU) 2021/1057, (EU) 2021/1060, (EU) 2021/1139, (EU) 2021/1229 and (EU) 2021/1755 should therefore be amended accordingly.

(12) In view of the urgent need to provide the Union with appropriate funding, it is considered to be appropriate to invoke the exception to the eight-week period provided for in Article 4 of Protocol No 1 on the role of national Parliaments in the Union, annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and the Treaty establishing the European Atomic Energy Community.

(13) Given the urgency of providing the Union with appropriate funding, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

Article 1

In Article 5 of Regulation (EU) No 2021/522, paragraph 2 is replaced by the following:

"2. As a result of the programme-specific adjustment provided for in Article 5 of Council Regulation (EU, Euratom) 2020/2093 (*), the amount referred to in paragraph 1 of this Article shall be increased by an additional allocation of EUR 2 055 000 000 in 2018 prices as specified in Annex II to that Regulation."

* Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11, ELI: http://data.europa.eu/eli/reg/2020/2093/oj).'.

Article 2

In Article 5 of Regulation (EU) No 2021/1057, paragraph 2 is replaced by the following:

'2. The part of the financial envelope for the implementation of the ESF+ strand under shared management to contribute to the investment for jobs and growth goal in Member States and regions as referred to Article 5(2), point (a), of Regulation (EU) 2021/1060

shall be EUR 87 319 331 844, in 2018 prices, of which EUR 119 526 004 in 2018 prices shall be allocated for transnational cooperation to accelerate the transfer, and facilitate the scaling up, of innovative solutions as referred to in Article 25, point (i), of this Regulation and EUR 472 980 447, in 2018 prices, as additional funding to the outermost regions identified in Article 349 TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 on special provisions for Objective 6 in the framework of the Structural Funds in Finland, Norway and Sweden annexed to the 1994 Act of Accession'.

Article 3

Regulation (EU) 2021/1060 is amended as follows:

(1) in Article 109, paragraph 3 is replaced by the following:

'3. Up to 0,35 % of the resources referred to in the first and second subparagraphs of paragraph 1 of this Article, after the deduction of the support to the Connecting Europe Facility referred to in Article 110(3), shall be allocated to technical assistance at the initiative of the Commission.';

(2) Article 110 is amended as follows:

(a) in paragraph 1, point (f) is replaced by the following:

'(f) *0.1% (i.e. a total of EUR 435 979 855 in 2018 prices) for interregional innovation investments';*

(b) paragraphs 4 and 5 are replaced by the following:

'4. EUR 353 070 314 in 2018 prices of the resources for the Investment for jobs and growth goal shall be allocated to the European Urban Initiative under direct or indirect management by the Commission.

5. EUR 119 526 004 in 2018 prices of the resources of the ESF+ resources for the Investment for jobs and growth goal shall be allocated for transnational cooperation supporting innovative solutions under direct or indirect management.'

Article 4

In Article 7 of Regulation (EU) 2021/1139 is amended as follows, paragraph 1 is replaced by the following:

'1. The part of the financial envelope under direct and indirect management as specified in Title III shall be EUR 692 000 000 in current prices.'.

Article 5

In Article 5(1) of Regulation (EU) 2021/1229, point (a) is replaced by the following:

'(a) resources from the Union budget at an amount of EUR 100 000 000 in current prices; and'

Article 6

Article 4 of Regulation (EU) 2021/1755 is amended as follows:

(1) paragraph 2 is replaced by the following:

'2. *The maximum resources of the Reserve shall be EUR 4 886 170 910 in current prices.';*

(2) paragraph 3, point (b) is replaced by the following:

'(b) any remaining provisionally allocated amount shall be made available in 2025 in accordance with Article 12.'.

Article 7

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

LEGISLATIVE FINANCIAL STATEMENT

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parlimane and of the Council amending Regulations (EU) 2021/522, (EU) 2021/1057, (EU) 2021/1060, (EU) 2021/1139, (EU) 2021/1229, and (EU) 2021/1755 as regards the changes to the amounts of funds for certain programmes and funds

1.2. Policy area(s) concerned

05 Regional Development and Cohesion

06 Recovery and Resilience

07 Investing in People, Social Cohesion and Values

08 Agriculture and Maritime Policy

16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework (Article 16 02 03 Brexit Adjustment Reserve (BAR))

30 Reserves (Article 30 04 03 Brexit Adjustment Reserve (BAR)

1.3. The proposal/initiative relates to:

☐ **a new action**

☐ **a new action following a pilot project/preparatory action**[22]

☐ **the extension of an existing action**

☐ **a merger or redirection of one or more actions towards another/a new action**

1.4. Objective(s)

1.4.1. General objective(s)

On 29 February 2024, the Council adopted an amendment to Regulation (EU, Euratom) 2020/2093 following the the mid-term review/revision of the 2021-2027 Multiannual Financial Framework.

The MFF revision includes increases of resources for several EU programmes. To mitigate the impact of the revision of the MFF on national budgets, these increases will be partly compensated by redeployments and reprioritisations within the EU budget. The net increase of funding for new priorities amounts to EUR 21 billion until the end of this MFF.

[22] As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

This requires modifying the expenditure ceilings, as well as, in some cases, amendments of the budgetary provisions of the legislative acts establishing the programmes and instruments concerned, in line with the provisions of point 18 of the Interinstitutional Agreement of 16 December 2020 as regards the incorporation of financial provisions in legislative acts.

Concerning sections 1.4, 1.5 and 1.6, information on the general objectives can be found in the relevant legislative proposals of the programmes:

Proposal for a Regulation of the European Parliament and of the Council on the establishment of a Programme for the Union's action in the field of health (COM/2020/405 final). The EU4Health Programme contributes to the following main objectives:

a) improving and fostering health in the Union to reduce the burden of communicable and non-communicable diseases, by supporting health promotion and disease prevention, by reducing health inequalities, by fostering healthy lifestyles and by promoting access to healthcare;

b) protecting people in the Union from serious cross-border threats to health and strengthening the responsiveness of health systems and coordination among the Member States in order to cope with serious cross-border threats to health;

(c) improving the availability, accessibility and affordability of medicinal products and medical devices, and crisis-relevant products in the Union, and supporting innovation regarding such products;

(d) strengthening health systems by improving their resilience and resource efficiency.

Proposal for a Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument (COM/2018/375 final). This proposal includes specific allocations for the European Urban Initiative, the Interregional Innovation Investments, ESF+ Transnational Cooperation and a ceiling for technical assistance at the initiative of the Commission.

Proposal for a Regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism (COM(2020) 453 final). The public sector loan facility established under this proposal constitutes the third pillar of the Just Transition Mechanism. It will support public investments, through preferential lending conditions. These investments will benefit the territories most negatively affected by the climate transition as identified in the territorial just transition plans for the purposes of the Just Transition Fund.

Proposal for a Regulation of the European Parliament and of the Council establishing the Brexit Adjustment Reserve (COM(2020) 854 final). The Reserve established under this Regulation will provide support to Member States, regions and sectors, in particular those that are worst affected by the adverse consequences of the

withdrawal of the United Kingdom from the Union, mitigating thus its impact on the economic, social and territorial cohesion. The Reserve will provide financial contributions to cover all or part of the additional public expenditure incurred by Member States, especially those relying most heavily on trade and economic relations with the United Kingdom, for measures directly linked to the withdrawal.

Proposal for a Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council (COM/2018/390 final). The purpose of this proposal is the establishment of the EMFAF for the 2021-2027 period. That fund aims to target funding from the Union budget to support the Common Fisheries Policy (CFP), the Union's maritime policy and the Union's international commitments in the field of ocean governance. EMFAF is a key enabler for sustainable fisheries and the conservation of marine biological resources, for food security through the supply of seafood products, for the growth of a sustainable blue economy and for healthy, safe, secure, clean and sustainably managed seas and oceans.

1.4.2. Specific objective(s)

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

- The proposal for amendments to Regulation (EU) 2021/522 will reduce the programme-specific adjustment defined in Article 5 and Annex II of the Council Regulation (EU, Euratom) 2020/2093 by EUR 1 000 000 000 in current prices (845 000 000 in 2018 prices) for the period 2025-2027. The consequences on the measures implemented under the programme will be assessed during the preparation of the annual work programme.

- The proposal for amendments to Regulation (EU) 2021/1229 will reduce the total amount of the grant component of the public sector loan facility to be financed from the Union budget for the 2021-2027 MFF period by EUR 150 000 000 in current prices.

- The proposal for amendments to Regulation (EU) 2021/1060 will reduce the allocation for the European Urban Initiative by EUR 55 million in current prices, for the Interregional Innovation Investments by EUR 75 million in current prices, for ESF+ Transnational Cooperation by EUR 65 million in current prices and for technical assistance at the initiative of the Commission by EUR 210 million in current prices.

- The proposal for amendments to Regulation (EU) 2021/1755 will reduce the remaining provisional allocation of the BAR that becomes available in 2025 by EUR 584 264 090 in current prices.

- The proposal for the amendment to Article 7 (1) of the Regulation (EU) 2021/1139 will reduce the allocation for the EMFAF implemented under direct

and indirect management by EUR 105 000 000 in current prices for the period 2025-2027.

1.4.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

N/A

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention, which is additional to the value that would have been otherwise created by Member States alone.

1.5.3. Lessons learned from similar experiences in the past

N/A

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

The proposal aims to align the budgetary provisions legislative acts establishing the programmes and instruments concerned to the revision of the 2021-2027 Multiannual Financial Framework as set out in the amendment to Council Regulation (EU, Euratom) 2020/2093 adopted by the Council on 29 February 2024.

1.5.5. Assessment of the different available financing options, including scope for redeployment

N/A

1.6. Duration and financial impact of the proposal/initiative

☐ **limited duration**

– X in effect from 2024 to 2027

– ☐ Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☐ **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. Method(s) of budget implementation planned[23]

X **Direct management** by the Commission

– X by its departments, including by its staff in the Union delegations;

– X by the executive agencies

X Shared management with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated;

– ☐ international organisations and their agencies (to be specified);

– ☐ the EIB and the European Investment Fund;

– ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation;

– ☐ public law bodies;

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees;

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees;

– ☐ bodies or persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

– *If more than one management mode is indicated, please provide details in the 'Comments' section.*

[23] Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx

Comments

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

Information can be found in the Legislative Financial Statements of the relevant legislative proposals of the programmes (See 1.4.1.)

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

Information can be found in the Legislative Financial Statements of the relevant legislative proposals of the programmes (See 1.4.1.)

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[24]	from EFTA countries [25]	from candidate countries and potential candidates [26]	fromother third countries	other assigned revenue
Heading 2b Title 6 Recovery and Resilience	06.010501 Support expenditure for the EU4Health Programme 06.0601 EU4Health Programme	Non-Diff/ Diff	YES	YES	YES	NO
Heading 2a Title 05 Regional Development and Cohesion	05 02 01.08 Interregional Innovation Investments 05 02 02 ERDF — Operational technical assistance 05 02 03 European Urban Initiative 05 03 02 Cohesion Fund — Operational technical assistance	Diff.	No	No	No	No
Heading 2a Title 07: Investing in People, Social Cohesion and Values	07 02 01.05 Transnational Cooperation 07 02 02 ESF+ shared management strand — Operational technical assistance	Diff.	No	No	No	No
Heading 3 Title 08:	08 04 European Maritime, Fisheries and Aquaculture Fund (EMFAF) — Operational	Diff.	NO	NO	NO	NO

[24] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
[25] EFTA: European Free Trade Association.
[26] Candidate countries and, where applicable, potential candidates from the Western Balkans.

Agriculture and Maritime Policy	expenditure under direct and indirect management					
Heading 3 Title 09: Environment and Climate Action	09 04 01 Public Sector Loan Facility under the Just Transition Mechanism (JTM)	Diff.	NO	NO	NO	NO
Solidarity mechanisms within and outside the Union (Special instruments) Title 16: Expenditure outside the annual ceilings set out in the Multiannual Financial Framework	16 02 03 Brexit Adjustment Reserve (BAR)	Diff.	NO	NO	NO	NO
Solidarity mechanisms within and outside the Union (Special instruments) Title 30: Reserves	30 04 03 Brexit Adjustment Reserve (BAR)	Diff.	NO	NO	NO	NO

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– ☐ The proposal/initiative does not require the use of operational appropriations

– ☐ The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	Headings 2a, 2b, and 3 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework (Solidarity mechanisms within and outside the Union (Special instruments)

			2024	**2025**	**2026**	**2027**	**Post-2027**	**TOTAL**
• Operational appropriations								
05.0201.08 Interregional Innovation Investments	Commitments			-25.000	-25.000	-25.000		**-75.000**
	Payments			-8.250	-9.750	-12.000	**-45.000**	**-75.000**
05.0202 ERDF — Operational technical assistance	Commitments			-31.150	-42.500	-58.100		**-131.750**
	Payments			-14.493	-17.128	-21.080	**-79.050**	**-131.750**
05.0203 05 02 03 European Urban Initiative	Commitments			-18.300	-17.300	-19.400		**-55.000**
	Payments			-6.050	-7.150	-8.800	**-33.000**	**-55.000**
05.0302 Cohesion Fund — Operational technical assistance	Commitments			-5.250	-7.500	-10.500		**-23.250**
	Payments			-2.558	-3.023	-3.720	**-13.950**	**-23.250**
06.010501 Support expenditure for the EU4Health Programme and	Commitments			-189.871	-193.585	-616.544		**-1 000.000**
	Payments			pm	pm	pm	**pm**	**-1 000.000**

06.0601 EU4Health Programme[27]								
07.0201.05 Transnational Cooperation	Commitments			-21.400	-21.600	-22.000		**-65.000**
	Payments			-7.150	-8.450	-10.400	**-39.000**	**-65.000**
07.0202 ESF+ shared management strand — Operational technical assistance	Commitments			-16.700	-18.300	-20.000		**-55.000**
	Payments			-6.050	-7.150	-8.800	**-33.000**	**-55.000**
08 04 European Maritime, Fisheries and Aquaculture Fund (EMFAF) operational expenditure under direct and indirect management	Commitments			-36.000	-33.000	-36.000		**-105.000**
	Payments			-8.792	-10.278	-17.873	-68.057	**-105.000**
09 04 01 Public Sector Loan Facility under the Just Transition Mechanism (JTM)	Commitments			-50.000	-50.000	-50.000		**-150.000**
	Payments			-10.000	-60.000	-54.000	-26.000	**-150.000**
30 04 03 Brexit Adjustment Reserve (BAR) 16 02 03 Brexit Adjustment Reserve (BAR)	Commitments			-584.264				**-584.264**
	Payments			-584.264				**-584.264**
TOTAL appropriations	Commitments			-977.935	-408.785	-857.544	0	**-2.244.264**
	Payments			-647.607	-122.929	-136.673	-337.057	-2.244.266

[27] Appropriations from the additional allocation in accordance with Article 5 of and Annex II to Regulation (EU, Euratom) 2020/2093. The annual amounts will be formally established annually in the framework of the technical adjustment of the multiannual financial framework and included in the draft budget be. he precise distribution by budget line will be defined in the annual budgetary procedure.

Heading of multiannual financial framework	**7**	'Administrative expenditure'

The consequences on the administrative expenditure will be assessed in the framework of the annual budgetary procedure.

EUR million (to three decimal places)

		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
DG: <…….>									
• Human resources									
• Other administrative expenditure									
TOTAL DG <…….>	Appropriations								

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)								

EUR million (to three decimal places)

	Year **N**[28]	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)	**TOTAL**

[28] Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments									
	Payments									

3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **N**		Year **N+1**		Year **N+2**		Year **N+3**		Enter as many years as necessary to show the duration of the impact (see point 1.6)						**TOTAL**	
	OUTPUTS																	
	Type[29]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[30]…																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		

29 Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

30 As described in point 1.4.2. 'Specific objective(s)…'

TOTALS																

3.2.3. Summary of estimated impact on administrative appropriations

The Mid-Term Review of the MFF included reductions of certain budgetary envelopes, as presented in this act, but also significant increases on others. The net effect of these amendments will have no impact on the administrative costs and resources of the Commission. In this context, the Commission will continue to seek an effective and efficient use of its human resources, taking account of the principle of stable staffing, by constantly assessing internal redeployment opportunities.

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year **N** [31]	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
HEADING 7 of the multiannual financial framework								
Human resources								
Other administrative expenditure								
Subtotal HEADING 7 of the multiannual financial framework								

Outside HEADING 7[32] of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								
Subtotal outside HEADING 7 of the multiannual financial framework								

[31] Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

[32] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL								

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.3.1. Estimated requirements of human resources

– ☐ The proposal/initiative does not require the use of human resources.

– ☐ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
• Establishment plan posts (officials and temporary staff)								
20 01 02 01 (Headquarters and Commission's Representation Offices)								
20 01 02 03 (Delegations)								
01 01 01 01 (Indirect research)								
01 01 01 11 (Direct research)								
Other budget lines (specify)								
• External staff (in Full Time Equivalent unit: FTE)[33]								
20 02 01 (AC, END, INT from the 'global envelope')								
20 02 03 (AC, AL, END, INT and JPD in the delegations)								
XX 01 xx **yy zz** [34]	- at Headquarters							
	- in Delegations							
01 01 01 02 (AC, END, INT - Indirect research)								
01 01 01 12 (AC, END, INT - Direct research)								
Other budget lines (specify)								
TOTAL								

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

[33] AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

[34] Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

Officials and temporary staff	
External staff	

3.2.4. Compatibility with the current multiannual financial framework

The proposal/initiative:

– X can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

– This proposal stems from the agreement on the mid-term review of the Multiannual Financial Framework.

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

– ☐ requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. Third-party contributions

The proposal/initiative:

– ☐ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **N**[35]	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

[35] Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

3.3. Estimated impact on revenue

– ☐ The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

  – ☐ on own resources

  – ☐ on other revenue

  – please indicate, if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[36]						
		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article …….								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

[36] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.