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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	23 March 2022
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

No. Cion doc.:	COM(2022) 145 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 1303/2013 and Regulation (EU) No 223/2014 as regards increased pre-financing from REACT-EU resources

Delegations will find attached document COM(2022) 145 final.

Encl.: COM(2022) 145 final



Brussels, 23.3.2022
COM(2022) 145 final

2022/0096 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Regulation (EU) No 1303/2013 and Regulation (EU) No 223/2014 as regards
increased pre-financing from REACT-EU resources**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

This proposal provides for exceptional and targeted changes to the 2014-2020 legal framework established for the European Structural and Investment Funds and for the Fund for the European Aid to the Most Deprived (FEAD) in response to the invasion of Ukraine by the Russian Federation and the subsequent impact on the European Union and several of its eastern regions in particular.

As a result of the unprovoked and unjustified military aggression by Russia, the EU, and several of its eastern regions in particular, are faced with immediate challenges, notably as regards third country nationals fleeing Ukraine following the invasion of the country by Russia.

The Commission has already taken action to assist Member States in this regard, via its Cohesion's Action for Refugees in Europe (CARE) initiative of 8 March 2022. This proposed a number of surgical amendments to Regulations (EU) No 1303/2013 and (EU) No 223/2014 in order to make it easier for Member States to use their remaining European Regional Development Fund ('ERDF'), European Social Fund ('ESF') and FEAD allocations under the 2014-2020 multiannual financial framework, as well as resources stemming from the Recovery Assistance for Cohesion and the Territories of Europe ('REACT-EU'), in a more flexible manner, in particular by enabling the ERDF and the ESF to fund actions eligible under the other Fund, to address the migratory challenges as effectively and as rapidly as possible, and by introducing the possibility of 100% EU co-financing for an additional accounting year in order to alleviate the burden on national budgets.

Notwithstanding the flexibilities offered by the CARE package of measures, it is clear that Member States are facing immediate additional budgetary pressures stemming from the management of massive arrivals of persons fleeing Ukraine. Member States sharing a land border with Ukraine are particularly impacted, having to provide support such as housing, social and transport services, while several other Member States are also coping with significantly high numbers of arrivals compared to the size of their own population, as countries of final destination. This additional shock further undermines the capacity of Member States to build a resilient recovery from the COVID-19 pandemic.

Consequently, support from the Funds should be mobilised quickly to alleviate the burden on national budgets. It is therefore necessary, as a temporary and exceptional measure and without prejudice to the rules that should apply under regular circumstances, to increase the amount of pre-financing that is paid out under REACT-EU, for all Member States. A higher share of these increased pre-financing resources should be allocated to those Member States which are confronted with the largest arrivals of persons fleeing Ukraine, either as transit countries or as countries of final destination. As the number of people fleeing the war is increasing by the hour and Member States are currently in the process of registering people, the situation is very dynamic. To create a situational picture approximating the pressure with which Member States are being confronted due to the large scale of arrivals, the Commission calculated the share of arrivals relative to the population based on information from Member States obtained through the Blueprint Network, international organisations, and other reliable open sources.

In order to have a light level of reporting from Member States with regard to this additional pre-financing, reporting on how it has been used to alleviate the situation of persons fleeing Ukraine and its contribution to the recovery of the economy should only be made in the final implementation reports of the operational programmes concerned.

- **Consistency with existing policy provisions in the policy area**

The proposal is consistent with the overall legal framework established for the European Structural and Investment Funds and FEAD and is limited to targeted and exceptional amendments of Regulations (EU) No 1303/2013 and (EU) No 223/2014. The proposal also complements the preceding amendment proposal to these regulations under the Commission's CARE proposal of 8 March 2022 as well as all other measures aimed at addressing the current unprecedented situation.

- **Consistency with other Union policies**

The proposal is limited to targeted and exceptional amendments of Regulations (EU) No 1303/2013 and (EU) No 223/2014 and maintains consistency with other Union policies.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The proposal is based on Articles 175(3) and 177 of the Treaty on the Functioning of the European Union.

- **Subsidiarity (for non-exclusive competence)**

Since addressing the challenges created by very high arrivals of those fleeing Ukraine cannot be sufficiently achieved by the Member States alone and can therefore be better achieved at Union level, the Union may provide for an increased amount of pre-financing to be paid out under REACT-EU, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union.

- **Proportionality**

The proposal is an exceptional and targeted change not going beyond what is necessary to achieve the objective of providing for an increased amount of pre-financing to be paid out under REACT-EU to support measures to address migratory challenges as a result of the military aggression by the Russian Federation and to alleviate the corresponding burden on public budgets to enable in turn mobilising investment in response to the widespread public health crisis affecting the growth of regions.

- **Choice of the instrument**

A Regulation is the appropriate instrument to provide for an increased amount of pre-financing to be paid out under REACT-EU needed to address these unprecedented circumstances.

3. RESULTS OF EX-POST EVALUATIONS, CONSULTATIONS AND IMPACT ASSESSMENTS **STAKEHOLDER**

- **Ex-post evaluations/fitness checks of existing legislation**

N/A

- **Stakeholder consultations**

The proposal follows high level exchanges with other institutions and Member States. A public consultation is not required given that there is no need for an impact assessment.

- **Collection and use of expertise**

N/A

- **Impact assessment**

An impact assessment has been carried out to prepare the proposal for Regulations (EU) No 1303/2013 and (EU) No 223/2014. This current targeted change to respond to a critical situation does not require a separate impact assessment.

- **Regulatory fitness and simplification**

N/A

- **Fundamental rights**

N/A

4. BUDGETARY IMPLICATIONS

This proposal only concerns REACT-EU, which is financed by the European Recovery Instrument NextGenerationEU (as set out in Council Regulation (EU) 2020/2094).

The total annual breakdown of commitment and payment appropriations for the European Regional Development Fund, the European Social Fund and the Fund for European Aid to the Most Deprived remains unchanged.

The proposal will result in additional initial pre-financing to be paid under REACT-EU, financed by the European Recovery Instrument NextGenerationEU.

The additional initial pre-financing payments in 2022 will be financed from external assigned revenues. All amounts will be available as external assigned revenues, within the meaning of Article 21(5) of the Financial Regulation stemming from the Next GenerationEU borrowing operations.

The amount paid as additional initial pre-financing shall be totally cleared from the Commission accounts not later than when the operational programme is closed, such that the total amount of payments made under REACT-EU will remain unchanged with this proposal. Similarly, the total commitment appropriations under REACT-EU will not be modified.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The implementation of the measure will be monitored and reported upon in the framework of the general reporting mechanisms established in Regulations (EU) No 1303/2013 and (EU) No 223/2014.

- **Explanatory documents (for directives)**

N/A

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

It is proposed to amend Regulations (EU) No 1303/2013 and (EU) No 223/2014 in order to provide for an increased percentage of pre-financing to be paid out under REACT-EU and for related reporting (amendment of Article 92b of Regulation (EU) No 1303/2013 and Article 6a of Regulation (EU) No 223/2014).

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 1303/2013 and Regulation (EU) No 223/2014 as regards increased pre-financing from REACT-EU resources

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 Articles 175(3) and 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 Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The recent military aggression of Russia against Ukraine and the ongoing armed conflict has fundamentally changed the security situation in Europe. As a result of the aggression, the European Union, and its eastern regions in particular, is facing a substantial inflow of persons. This poses an additional challenge for public budgets at a time when Member States' economies are still recovering from the impact of the COVID-19 pandemic and risks undermining the preparation of a green, digital and resilient recovery of the economy.
- (2) Member States are already able to finance a broad range of investments to address migratory challenges under their operational programmes with support from the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Fund for European Aid to the Most Deprived (FEAD), including from the additional resources made available as Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU), to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and for preparing a green, digital and resilient recovery of the economy.
- (3) Furthermore, the Commission proposed in its Cohesion's Action for Refugees in Europe (CARE) initiative of 8 March 2022 a number of targeted amendments to Regulation (EU) No 1303/2013 of the European Parliament and of the Council³, and

¹ OJ C , , p. .

² OJ C , , p. .

³ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional

Regulation (EU) No 223/2014 of the European Parliament and of the Council⁴ in order to make it easier for Member States to use their remaining ERDF, ESF and FEAD allocations under the 2014-2020 multiannual financial framework, as well as REACT-EU resources, to address the migratory challenges as effectively and as rapidly as possible.

- (4) Notwithstanding the flexibilities offered by the CARE proposal, Member States continue to face substantial pressures on public budgets from challenges deriving from the very high numbers of arrivals of those fleeing Ukraine. These pressures risk undermining their capacity to move towards a resilient recovery of the economy from the COVID-19 pandemic. In order to assist Member States in addressing the challenges created, support from the ERDF, ESF and FEAD should therefore be mobilised quickly by increasing the rate of initial pre-financing paid from REACT-EU resources for all Member States. At the same time, some Member States have been confronted with significant arrivals of persons from Ukraine, requiring the provision of immediate support. These Member States should accordingly benefit from a significantly higher increase of the rate of initial pre-financing to offset the immediate budgetary costs and support their efforts in preparing the recovery of their economies.
- (5) In order to monitor the use made of this additional pre-financing, the final reports on the implementation of ERDF and ESF programmes receiving additional pre-financing should report on the use made of the additional amounts received to address the migratory challenges faced as a result of the military aggression by the Russian Federation and how it contributed to the recovery of the economy.
- (6) Since the objective of this Regulation, namely to assist Member States in addressing the challenges created by the exceptionally high arrivals of people fleeing the war against Ukraine and support their move towards a resilient recovery of the economy from the COVID-19 pandemic, cannot be sufficiently achieved by the Member States alone and can therefore, by reason of the scale and effects of the proposed action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives.
- (7) Regulation (EU) No 1303/2013 and Regulation (EU) No 223/2014 should therefore be amended accordingly.
- (8) Given the need to provide rapid relief to public budgets with a view to preserving Member States' capacity to sustain the economic recovery process and enable additional payments to operational programmes without delay, it is necessary that this Regulation enters into force on the day following that of its publication in the *Official Journal of the European Union*.
- (9) In view of the urgency to provide rapid relief to public budgets with a view to preserving their capacity to support the recovery of economies from the COVID-19 pandemic and to enable additional payments to operational programmes without delay, it is considered necessary to use the exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union,

Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

⁴ Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendment to Regulation (EU) No 1303/2013

Regulation (EU) No 1303/2013 is amended as follows:

- (1) In Article 92b(7), the following second and third subparagraphs are inserted:

“In addition to the initial pre-financing set out in the first subparagraph, the Commission shall pay 4% of the REACT-EU resources allocated to programmes for the year 2021 as additional initial pre-financing in 2022. For programmes in Member States which have had a level of arrivals of persons from Ukraine greater than 1% of their national population between 24 February 2022 and 23 March 2022, that percentage shall be increased to 34%.

When submitting the final implementation report required under Articles 50(1) and 111, Member States shall report on the use made of this additional initial pre-financing to address the migratory challenges faced as a result of the military aggression by the Russian Federation and its contribution to the recovery of the economy.”
- (2) In Article 92b(7), the last subparagraph is replaced by the following:

“Where the Commission decision approving the operational programme or the amendment to the operational programme allocating the REACT-EU resources for 2021 was adopted after 31 December 2021 and the related pre-financing not paid, the amount of initial pre-financing referred to in the first and second subparagraphs shall be paid in 2022.

The amount paid as initial pre-financing referred to in the first and second subparagraphs shall be totally cleared from the Commission accounts not later than when the operational programme is closed.”

Article 2

Amendment to Regulation (EU) No 223/2014

Regulation (EU) No 223/2014 is amended as follows:

- (1) In Article 6a(4), the following second subparagraph is inserted:

“In addition to the initial pre-financing set out in the first subparagraph, the Commission shall pay 4% of the REACT-EU resources allocated to programmes for the year 2021 as additional initial pre-financing in 2022. For programmes in Member States which have had a level of arrivals of persons from Ukraine greater than 1% of their national population between 24 February 2022 and 23 March 2022, that percentage shall be increased to 34%.”
- (2) In Article 6a(4), the last subparagraph is replaced by the following:

“The amount paid as initial pre-financing referred to in the first and second subparagraphs shall be totally cleared from the Commission accounts not later than when the operational programme is closed.”

Article 3

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
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 1303/2013 and Regulation (EU) No 223/2014 as
regards increased pre-financing from REACT-EU resources

1.2. Policy area(s) concerned

05 Regional Development and Cohesion
07 Investing in People, Social Cohesion and Values

1.3. The proposal/initiative relates to:

- a new action
 a new action following a pilot project/preparatory action⁵
 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)

N/A

1.4.2. Specific objective(s)

N/A

1.4.3. Expected result(s) and impact

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

N/A

1.4.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

N/A

⁵ As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

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

N/A

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.

N/A

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

N/A

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

- in effect from 1 January 2022 to 31 December 2022
- Financial impact from 1 January 2022 to 31 December 2024 on commitment and payment appropriations

unlimited duration

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Management mode(s) planned⁶

Direct management by the Commission

- by its departments, including by its staff in the Union delegations;
- by the executive agencies

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 provide 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 provide adequate financial guarantees;
 - 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.*

Comments

N/A

⁶ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:
<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

N/A

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

N/A

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

N/A

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)

N/A

2.3. Measures to prevent fraud and irregularities

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

N/A

ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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. ⁷	from EFTA countries ⁸	from candidate countries ⁹	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
2a Economic, social and territorial cohesion	05.02.05.01 European Regional Development Fund (ERDF) – Operational Expenditure – Financing under REACT-EU	Diff.	NO	NO	NO	NO
	07.02.05.01 European Social Fund (ESF) – Operational Expenditure – Financing under REACT-EU					
	07.02.06.01 Completion of the Fund for European Aid to the Most Deprived (FEAD) – Operational Expenditure – Financing under REACT-EU					

⁷ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

⁸ EFTA: European Free Trade Association.

⁹ Candidate countries and, where applicable, potential candidates from the Western Balkans.

Estimated financial impact of the proposal on appropriations

Summary of estimated impact on operational appropriations

The proposed modification does not imply any changes in the Multiannual Financial Framework annual ceilings for commitments and payments as per Annex I to Regulation (EU) No 1311/2013.

The total annual breakdown of commitment appropriations for the European Regional Development Fund, the European Social Fund and the Fund for European Aid to the Most Deprived remains unchanged.

The proposal will result in additional initial pre-financing to be paid.

The additional initial pre-financing payments in 2022 will be financed from external assigned revenues. All amounts will be available as external assigned revenues, within the meaning of Article 21(5) of the Financial Regulation stemming from the borrowing operations of the Union as set out in Council Regulation (EU) 2020/2094.

The amount paid as additional initial pre-financing shall be totally cleared from the Commission accounts not later than when the operational programme is closed.

Heading of multiannual financial framework	Number	2a
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DG Regional and Urban Policy and DG Employment, Social Affairs and Inclusion			2021	2022	2023	2024	2025	TOTAL
• Operational appropriations								
05.02.05.01 European Regional Development Fund (ERDF) – Operational Expenditure – Financing under REACT-EU	Commitments	(1a)						0.000
07.02.05.01 European Social Fund (ESF) – Operational Expenditure – Financing under REACT-EU	Payments	(2a)						0.000
07.02.06.01 Completion of the Fund for European Aid to the Most Deprived (FEAD) – Operational Expenditure – Financing under REACT-EU			3 426.000	-3 426.000				
Budget line	Commitments	(1b)						
	Payments	(2b)						
Appropriations of an administrative nature financed from the envelope of specific programmes ¹⁰								
Budget line		(3)						
TOTAL appropriations	Commitments	=1a+						0.000

¹⁰ 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.

for DG Regional and Urban Policy and DG Employment, Social Affairs and Inclusion		1b +3						
	Payments	=2a+ 2b +3		3 426.000		-3 426.000		0.000

• TOTAL operational appropriations	Commitment s	(4)						
	Payments	(5)						
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)						
TOTAL appropriations under HEADING 2a of the multiannual financial framework	Commitment s	=4+ 6						0.000
	Payments	=5+ 6		3 426.000		-3 426.000		0.000

Heading of multiannual financial framework	7	‘Administrative expenditure’
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This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the [Annex to the Legislative Financial Statement](#) (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

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)

		2021	2022	2023	2024	2025	TOTAL
TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments						0.000
	Payments		3 426.000		-3.426.000		0.000

Estimated output funded with operational appropriations

The proposal/initiative requires the use of existing operational appropriations (no changes):

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 ¹¹	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 ¹² ...																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTALS																		

¹¹ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

¹² As described in point 1.4.2. 'Specific objective(s)...'

Summary of estimated impact on administrative appropriations

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 ¹³	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
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HEADING 7 of the multiannual financial framework							
Human resources							
Other administrative expenditure							
Subtotal HEADING 7 of the multiannual financial framework							

Outside HEADING 7¹⁴ of the multiannual financial framework							
Human resources							
Other expenditure of an administrative nature							
Subtotal outside HEADING 7 of the multiannual financial framework							

TOTAL							
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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.

¹³ 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.

¹⁴ 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.

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)¹⁵							
-							
- 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 zz¹⁶							
- - 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:

Officials and temporary staff	
External staff	

¹⁵ AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

¹⁶ Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

Compatibility with the current multiannual financial framework

The proposal/initiative is compatible the current multiannual financial framework.

The proposal/initiative:

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

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts. Please provide an excel table in the case of major reprogramming.

- 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.

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 ¹⁷	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								

¹⁷ 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.

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

The additional pre-financing payments in 2022 will be financed from **external assigned revenues**. All amounts will be available as external assigned revenues, within the meaning of Article 21(5) of the Financial Regulation stemming from the borrowing operations of the Union as set out in Council Regulation (EU) 2020/2094.

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 ¹⁸							
		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).

[...]

¹⁸ 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.