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INFORMATION

From:	General Secretariat of the Council
To:	Ad hoc Working Party on the Multiannual Financial Framework (MFF) 2021-2027
Subject:	Multiannual Financial Framework (MFF) 2021-2027 - Technical questions raised by Austria and Poland - answers from the Commission

On behalf of the Finnish Presidency, delegations will find attached answers provided by the Commission to questions submitted by Austria and Poland (WK 8795/2019).

POLAND

Technical questions to the Commission

Update of statistical data for the Cohesion Policy

Question 1:

What is the basis year of GDP data extracted from the AMECO database for calculation of the level of capped amount – 2018 or 2019? Should we use the data based on the latest update of the AMECO database (7th of May 2019)?

Answer by the Commission:

All values are expressed in 2018 prices. Indeed, the figure stems from the update of the AMECO database of 7th May 2019.

Question 2:

Are the growth rates for 2019 and 2020 based on data presented in the 2019 Spring Economic Forecast?

Answer by the Commission:

Yes, real GDP growth for 2019 and 2020 is taken from the 2019 Spring Economic Forecast. These can be retrieved based on the AMECO database.

Question 3:

Please elaborate on how the migration premium works, especially in the context of the updated data. Does the updated reference period span from 1 January 2013 until end of 2017? Does the extension (or possible future extensions) increase the total amount of allocation based on that premium?

Answer by the Commission:

The migration premium is a cumulative indicator, taking into account net migration from outside the EU to the Member States since 1 January 2013 – the start date of the statistical series. The reference period is indeed extended until the end of 2017. However, this does not automatically result in an increase of the migration premium in all cases: when outward migration is larger than inward migration, the migration premium decreases when taking into account the statistical update.

AUSTRIA

Technical questions to the Commission

Question 1: Payment schedules

When comparing individual programmes' financial statements and the payment schedules provided in the annex of fiche 30 we noticed some deviations in payment schedules (Horizon Europe, Euratom, Digital Europe, RSP, ESF+, EAFRD, Border Management Fund, ISF, see examples below), which also result in differing levels of outstanding payments post 2027. Could the Commission please explain these differences, and either update fiche 30 or the corresponding financial statements?

Answer by the Commission:

Some differences are indeed to be noticed between the Legislative Financial Statements (LFS) of a limited number of legislative proposals and Fiche No 30 – these refer only to the indicative schedule of payments stemming from the proposed commitment amounts. At the time when LFS were submitted together with the sectorial proposals for some programmes certain assumptions on implementation were still under assessment and payment forecasts were presented on the basis of best estimates available at that point of time. Subsequently, the Commission has issued Fiche No 30, containing more refined and comprehensive estimates for all programmes of the 2021-2027 MFF proposal. These estimates remain valid and have been used as a basis for the 2019 Forecast Report of Future Inflows and Outflows. No update of Legislative Financial Statements is foreseen at this stage of the negotiations.

Question 2: De-commitment rules

Furthermore, we were surprised to learn that “for most programmes and actions no automatic de-commitment rules exist, any annual breakdown of de-commitments would be highly imprecise” (long term payment forecast COM(2019) 305 final, p. 3). In our view this contradicts point 5 of the Negotiating Box, which refers to appropriate de-commitment rules. We therefore ask the Commission to prepare a fiche on the applicable de-commitment rules (or the lack thereof) for all (current and future) programmes.

Answer by the Commission:

The Commission would like to refer the Austrian delegation to the rules governing the time limits for commitments, including decommitments, which are set out in Article 114 of the Financial Regulation. However, a distinction must be made between programmes under shared management covered by the Common Provisions Regulation (CPR, Regulation (EU) No 1303/2013, Art. 136) and programmes/actions directly or indirectly managed:

- For programmes/actions under direct or indirect management, forecasting with precision the timing of decommitments is hardly possible since it is linked to the specific duration of each individual action/grant/contract.
- For programmes under shared management, within the scope of the framework set by the Financial Regulation there is an automatic n+3 de-commitment rule defined in the CPR. Based on this automatic decommitment rule it is possible to better estimate timing of the decommitments in the medium term as experience shows that such decommitments are concentrated in the closure period of the programmes.

The Commission does not see any contradiction with point 5 of the Negotiating box.
