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MEETING DOCUMENT

From:	Presidency
To:	Ad hoc Working Party on the Multiannual Financial Framework (MFF) 2021-2027
Subject:	Multiannual Financial Framework (MFF) 2021-2027 - Simplification of the draft Negotiating Box

Delegations will find attached, from the Presidency, a first set of possible changes to the draft Negotiating Box.

Simplification of the draft Negotiating Box

8/01/2019

First stage simplification

Points (issues) from the draft Negotiating Box	Options/brackets from the draft Negotiating Box	Changes proposed
Point 2 Sub-ceiling/ sub-heading (H2 Cohesion and values)	Heading 2 “Cohesion and Values” which will include a sub-ceiling for economic, social and territorial cohesion OR a sub-Heading for economic, social and territorial cohesion	Remove first option
Point 4 MTR	The Commission shall present a mid-term review of the MFF before 1 January 202[4]. Given its nature, such a review will not lead to a reduction of pre-allocated national envelopes. OR There shall be no mid-term review of the MFF	Remove first option. There will be no MTR.
Point 5 RAL	In order to ensure a predictable level and profile [as well as an orderly progression] of payments, several measures are taken [, such as simplifying implementation and setting appropriate pre-financing rates and de-commitment rules].	Remove first set of brackets.
Point 9 Deviation from reference amount	Possible deviation from the reference amounts for multiannual programmes shall not be more than [15]% of the amount for the entire duration of the programme.	To remain as a separate point.
Point 9 Transfer from shared to direct management and Point 43 flexibility between Funds	[In addition, budgetary flexibility between funds is enabled through the possibility to transfer, on a voluntary basis, up to [5]% of national allocations under shared management to direct and indirect management [for the benefit of the Member State concerned]]. [Member States may request the transfer of up to [5]% of programme financial allocations between the ERDF and the ESF+ within a Member State’s allocation for „Investment in jobs and growth” goal].	To become separate point – 9’ - and to be replaced by: <i>Member States may request the transfer of:</i> a) <i>up to [x %] of programme financial allocations from any of the funds of CPR under shared management to any instrument under direct or indirect management.</i> b) <i>up to [x %] of programme financial allocations between any of the funds under shared management.</i>

Point 11 EGAF	The European Globalisation Adjustment Fund, a solidarity and emergency relief instrument offering one-off assistance to support workers who lose their jobs in restructuring events linked to globalisation [including those caused by automation and digitalisation]	Remove the brackets.
Point 14 GMC/Union Reserve	Those margins within Headings left available under the ceilings for commitments of the previous financial year will, as of 202[2], establish a Global Margin for Commitments (Union Reserve) [for well-defined policy objectives]. [As of 2023, in addition to the margins, an amount equivalent to de-commitments of appropriations made during year n-2 shall be made available.]	There will be no Union Reserve. Remove “(Union Reserve)” and its source of financing from decommitments.
Point 18 Reflows	[Revenues and repayments stemming from financial instruments and budgetary guarantees should be treated in a horizontal manner.]	Remove the option.
Point 19 Role of EU budget	The role of the EU budget in supporting the effective implementation of EU wide policy objectives should be further enhanced, notably by strengthening the link between the EU budget and the European Semester, as well as in the areas of [migration,] environment and climate change.	Remove brackets and add text clarifying that migration, environment and climate are spending priorities.
Point 17 GMP	Via the Global Margin for Payments, starting from 202[2] as part of the technical adjustment, the Commission shall adjust the payment ceiling for the years [2022-2027] upwards by an amount equivalent to the difference between the executed payments and the MFF payment ceiling of the year n-1	Remove the first set brackets and by default, also the first bracket of the second set.
Point 20 Paris agreement	[As a general principle, all EU expenditure should be consistent with Paris Agreement objectives.]	Remove the brackets.
Point 37 sub-ceiling/ sub-heading	Commitment appropriations for this Heading, which includes a [sub-ceiling] OR [sub-Heading] for "Economic, social and territorial cohesion"	Idem point 2, above.

Point 42 ESF+	[EUR [x] million of the ESF+ resources for the Investment for jobs and growth goal will be allocated for transnational cooperation supporting innovative solutions under direct or indirect management.]	Remove the brackets.
Point 45 distribution of ETC allocation	[e) a total of EUR [x] million for interregional innovation investments.]	Remove from NB.
Point 69 thematic concentration of EFRD support	<p>With regard to programmes implemented under the Investment for jobs and growth goal, the total ERDF resources in each Member State will be concentrated at national level as follows:</p> <ul style="list-style-type: none"> a) Member States with a gross national income ratio equal to or above [100]% will allocate at least [85]% of their total ERDF resources under priorities other than for technical assistance to "smart" and "green" objectives, and at least [60]% to "smart"; b) Member States with a gross national income ratio equal to or above [75]% and below [100]% will allocate at least [45]% of their total ERDF resources under priorities other than for technical assistance to "smart", and at least [30]% to "green"; c) Member States with a gross national income ratio below [75]% of the EU average will allocate at least [35% of their total ERDF resources under priorities other than for technical assistance to "smart", and at least [30]% to "green". <p>For the purposes of this paragraph, the gross national income ratio means the ratio between the gross national income per capita of a Member State, measured in purchasing power standards and calculated on the basis of Union figures for the period from [2014 to 2016], and the average gross national income per capita in purchasing power standards of the 27 Member States for that same reference period.</p>	Remove from NB to sectorial.

Point 73 ESF+ link with sub-heading	[The shared management strand will remain under a sub-heading together with the ERDF and the Cohesion Fund.]	Remove the brackets.
Point 74 ESF+ specific objectives	With regard to the ESF+ resources under shared management each Member State shall allocate: <ul style="list-style-type: none"> a) at least [25]% to the specific objectives for the social inclusion; b) at least [2]% to the specific objective addressing material deprivation; c) at least [10]% to targeted actions for young people not in employment (NEET) in the case of having a rate of NEET above the EU average. 	Remove from NB to sectorial.
Point 79 CAP	It will support the transition towards an economically, environmentally and socially sustainable and [an increasingly] market-oriented agricultural sector.	Remove “increasingly”.
Point 83 Capping of direct payment for large farmers	[Eco-scheme payments shall be exempted from capping and degressivity].	Remove from NB to sectorial.
Point 118 Administrative expenditure in one heading	OR To increase transparency in the area of European Public Administration, all administrative expenditure should [where feasible] be grouped into one Heading	Remove the option.
Point 121 Staff regulation	To further control and manage administrative spending, efficiency gains [and measures] applied in comparable administrations [and the private sector] could serve as a benchmark.	Remove the first brackets and remove “and the private sector”.
