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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 delegations during the week of 25-29 June.

On behalf of the Austrian Presidency, and in view of the ad hoc Working Party on MFF of 2 July, delegations will find attached the list of technical questions submitted by delegations and addressed to the Commission in the week of 25-29 June.

Denmark

migration and border control

1. asks Commission for a detailed breakdown of the profile for each of the associated decentralised agencies in terms of both commitments and payments.
 2. how is the Commission planning on introducing 10.000 new border guards by the end of the financial period?
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Estonia

financial and horizontal issues

1. The preamble of the CPR refers to the importance of tackling climate change and the Funds' contribution to the achievement of an overall target of 25% of the EU budget expenditure supporting climate objectives. However, **it remains unclear how and to what extent should the climate objectives be addressed in the DG HOME funds.**
 2. **Allocation key** for the BMVI (Annex I) –as Member States differ in size and population, we find that it would be appropriate to take into account weighting factors that are based on **figures per capita** not on total (absolute) figures.
Why has the Commission opted for its approach?
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Ireland

administration

Breakdown of proposed expenditure

1. What margin is anticipated in Heading 7? How does this compare to the margin seen in implemented expenditure to date in the current MFF?
2. Can a breakdown of expenditure be provided between:
 - a. European Schools and Pensions
 - b. Each institution, body and office
 - c. Salary and non-salary costs per institution

Assumptions behind proposal

3. What assumptions on the following underlie the proposed expenditure:
 - a. Salary adjustments for inflation
 - b. FTE headcount (official and contract) and career progression
 - c. Pensions and pension-related costs
 - d. Building sales and acquisitions

4. Is every type of expenditure within non-salary costs (e.g. but not limited to buildings, IT, conferences, communications, travel) assumed to continue on the basis of the status quo? Where this is the case, what reviews have been undertaken to conclude this is the most appropriate approach? If different assumptions are used, what are they?

Other

5. Why was it decided to continue to apply the 2% deflator to Heading 7 when a large part of its expenditure is already adjusted for real inflation?
6. What amounts in other headings relate to administrative or support expenditure, e.g. within programmes or for agencies?"

Poland

Cohesion Policy

1. What are the **exact values** of the following **average figures** (as they were used by the Commission for the distribution of funds in Annex XXII to CPR) and the **methodology** behind calculating them:
 - a. the average **GDP per capita in PPS** for EU-27,
 - b. the average **GNI per capita in PPS** for EU-27,
 - c. the average **unemployment rate** of all less developed regions,
 - d. the average **youth unemployment rate** of all less developed regions,
 - e. the average share of people with **low educational attainment** of all less developed regions,
 - f. the average **unemployment rate** of all more developed regions,
 - g. the average level of the **employment rate** of all more developed regions,
 - h. the average percentage of people with **tertiary education attainment (30-34 years)** of all more developed regions,
 - i. the average percentage of **early leavers from education and training** of all more developed regions?

Providing this limited dataset seems essential due to many potential methodological pitfalls, e.g. absence of data for some regions, rounding of figures, time of data extraction, etc.

2. Does the “*regional harmonised unemployment rate*” (wording used in the Commission’s presentation to Annex XXII, p. 15) refer to the average unemployment rate of the region from 2014-2016?

3. How is the problem of **data gaps** for some regions being tackled – both in case of missing data, e.g. for one year (is the average for 2 remaining years being used?), as well as in the case of lack of data for the entire period?
 - a. For example, in case of youth unemployment in PL43 – Lubuskie, there is data available only for 2014. If for years 2015 and 2016 the Commission uses the NUTS1 youth unemployment rate which is significantly lower than in Lubuskie (in 2014: 22.5% vs 27.2%), this would be to the detriment of the region's allocation.
4. For which indicators (e.g. GDP per capita, population) and on which levels (EU / Member State / NUTS2 or NUTS3 regions) does the Commission use **rounded figures**? What is the precision of such rounding (e.g. to 1000 inhabitants)?
5. In more developed regions point 4.g) refers to the population of NUTS-3 regions with a population density of below 12.5 inhabitants/km². Does this refer to the average population density of these regions for the years 2014-2016? Should we sum up on NUTS-2 level the population of sparsely populated NUTS-3 areas? Which figure should we then compare it with – the sum of these sparsely populated areas in all more developed regions?
6. The ERDF and Cohesion Fund amounts provided in fiche 1 (and in the revised fiche 1) differ from the amounts presented in the draft CPR regulation (200.629 vs 200.622 EUR; 41 349 EUR vs 41.374); What is the reason of the discrepancy and which amounts are appropriate?
7. **European Territorial Cooperation:**
 - a. Regarding the lists of NUTS3 regions from fiche 16 (annex 2 and 3): what are the exact criteria on which are these lists are based? Which are the relevant points of the Annex XXII to the CPR proposal?
 - b. Could the Commission explain the differences in the allocation method for ETC between the 2014-2020 and the proposed one for 2021-2027? Which criteria are new and what are the underlying reasons for their introduction?
8. What are the assumptions to calculate the **indicative average annual allocations for regions in 2014-2020** serving as basis for the regional safety net? Does it include the effects of capping / deductions / “gifts”?
9. What are the **assumptions** as well as the **source of data** for the **national allocations in 2014-2020** serving as basis for safety nets and limits (points 11, 12, 13 in Annex XXII)?
10. **Transfers from the national envelopes** to the Commission:
 - a. What is the sequence of subtracting obligatory transfers to the Commission? Is it exactly the same as their order of arrangement in CPR – article 104 (4) - (6) and article 103 (3)? Namely, CEF, European Urban Initiative, transnational cooperation supporting innovative solutions (from ESF+), technical assistance at the initiative of the Commission?

- b. When exactly are the above mentioned transfers applied in the methodology? Before or after: capping / national safety nets / 1/3 Cohesion Fund rule / technical assistance?
 - c. Among instruments there are also (Article 5 (2) of the CPR) “Interregional Innovative Investments”. Will be “subtracted” from the Member States’ allocation? If so, in what amount, proportions and which funds will be subject to this deduction?
11. From which sources will the funds (in the amount of EUR 60,000,000) be provided for the PEACE PLUS program? At which point in the methodology is the deduction applied? In what proportions is it deducted?

administrative expenditures

1. What is the cost of having headquarters of EU institution in different locations (like EP in Brussels, Strasbourg and Luxembourg or Council of the EU in Brussels and Luxembourg)?
2. Can the Commission present the exact administrative expenditures planned in the next MFF both in heading 7 as well as all administrative expenditures in other headings? Did the Commission consider consolidating all administrative expenditures in one heading?

Sweden

heading 7, administration

1. Could the Commission please provide us with an overall analysis of the consequences from Brexit on administrative expenditure for the institutions, i.e. in relation to staff, operational costs, foreseen reductions in expenditure, the profile for these adjustments, possible needs etc?
2. The fiche 1 rev 1 provides information on the expenditure ceiling for heading 5, administration, in the current MFF 2014-2020 and the proposed ceiling for heading 7, administration, in the future MFF 2021-2027. As this comparison is different from the approach used for other headings (which are based on the financial programming and implemented expenditure), could the Commission please provide us with figures on the implemented expenditure for heading 5, administration in the period 2014-2020?
3. Could the Commission please provide us with detailed information on administrative expenditure outside heading 5, administration, i.e. agencies, support expenditure etc. in the current MFF 2014-2020, and the proposed administrative expenditure outside heading 7, administration in the future MFF 2021-2027?
4. Could the Commission please provide us with an updated forecast and the underlying assumptions on pension and pension-related costs as well as the budgetary consequences from these costs during the years 2021-2027 and beyond?

5. Could the Commission please provide us with details of the underlying assumptions for calculating the proposed expenditure ceiling for heading 7, administration, in the future MFF 2021-2027?
 6. As a large share of the administrative expenditure consists of salary-related expenditure and that this type of expenditure is in turn is subject to salary-adjustments, could the Commission explain the underlying assumptions for salary-adjustments during the period 2021-2027 on which the proposal is based?
 7. Could the Commission explain how the proposed annual adjustment of expenditure in the next MFF 2021-2027 by a fixed deflator of 2% - which, if agreed, would also apply to heading 7, administration, would relates to the parallel (and automatic) adjustment of salaries?
 8. Furthermore, could the Commission please provide us with details on:
 - the assumptions on career-progression
 - the amounts of assigned revenue taken into account for various agencies and institutions
 - the assumed decrease of revenue when the solidarity-levy expires in 2023
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