



Brussels, 23.5.2018
COM(2018) 282 final

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE
EUROPEAN PARLIAMENT**

**Technical adjustment of the financial framework for 2019 in line with movements in
GNI (ESA 2010)(Article 6 of Council Regulation No 1311/2013 laying down the
multiannual financial framework for the years 2014-2020)**

INTRODUCTION

The MFF Regulation as amended by Council Regulation (EU, Euratom) No 2015/623 of 21 April 2015¹ and as adjusted in the technical adjustment for 2018² contains the financial framework table for EU-28 for the period 2014-2020, expressed in 2011 prices (Table 1).

According to Article 6(1) of the MFF Regulation, the Commission makes each year, ahead of the budgetary procedure for year n+1, a technical adjustment to the multiannual financial framework (MFF) in line with movements in the EU's gross national income (GNI) and prices and communicates the results to the Council and the European Parliament. As far as prices are concerned, expenditure ceilings at current prices are established using the fixed 2% annual deflator as provided for in Article 6(2) of the MFF Regulation. As far as movements in GNI are concerned, the present Communication includes the latest economic forecasts available³.

At the same time the Commission calculates the margin available under the own-resources ceiling set in accordance with the new Own Resource Decision 2014/335/EU, Euratom (ORD2014)⁴, the absolute amount of the Contingency Margin provided for in Article 13 of the MFF Regulation, the global margin for payments provided for in Article 5, and the global margin for commitments provided for in Article 14. In addition, the sub-ceiling for heading 2 concerning market related expenditure and direct payments shall be adjusted following transfers between pillar I and rural development.

With the ORD 2014 in force the ceilings of own resources and the ceiling for appropriations for commitments were adapted to the new GNI data according to the European System of Accounts (ESA 2010). The maximum amount of own resources is now established at 1,20% of GNI (previously set at 1,23%) and the maximum amount of commitments at 1,26% of GNI (previously set at 1,29%)⁵.

The United Kingdom has notified their intention under Article 50 of TEU to leave the European Union on 30 March 2019. Nonetheless for the purpose of this technical adjustment the United Kingdom is counted as a Member State. Point 59 of the Joint Report from the negotiators of the European Union and the United Kingdom Government⁶ and the Communication from the Commission to the European Council⁷ foresee that “the UK will contribute to, and participate in, the implementation of the Union annual budgets for the years 2019 and 2020 as if it had remained in the Union.”

¹ OJ L 103, 22.4.2015, p.1.

² COM(2017)473 final of 15.9.2017.

³ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2018-economic-forecast_en

⁴ OJ L 168, 7.6.2014.

⁵ COM(2016) 829 final, 21.12.2016.

⁶ Joint Report From The Negotiators Of The European Union And The United Kingdom Government On Progress During Phase 1 Of Negotiations Under Article 50 TEU On The United Kingdom's Orderly Withdrawal From The European Union, 8 December 2017, pp 9

⁷ COM(2017)784 final, pp. 10

The purpose of this communication is to present to the Council and the European Parliament the result of the technical adjustments (EU-28) for 2019 according to Article 6 of the MFF Regulation.

2. TERMS OF THE ADJUSTMENT OF THE MFF TABLE (ANNEX - TABLES 1-2)

Table 1 shows the financial framework for EU-28 in 2011 prices as included in Annex I of the MFF Regulation adjusted according to Articles 3(1) and 5.

Table 2 shows the financial framework for EU-28 adjusted for 2019 (i.e. in current prices). The financial framework expressed in percentage of GNI is updated with the latest economic forecasts available (Spring 2018) and is adjusted according to Articles 3(1) and 5 of the MFF Regulation.

2.1. Total figure for GNI

According to the latest forecast available, the GNI for 2019 is established at EUR 16 489 019 million in current prices for EU-28. According to the Article 6 (4) of the MFF Regulation no further technical adjustments are made in respect of the year concerned, either during the year or as ex-post corrections during subsequent years. Therefore for information only, the updated GNI according to ESA 2010 is established at EUR 14 029 175 million for 2014, EUR 14 716 840 million for 2015, EUR 14 847 036 million for 2016, EUR 15 294 451 million for 2017 and EUR 15 892 594 million for 2018. For the same reason, the own resources ceiling currently established at 1,20% of GNI (ESA 2010) is adjusted only from 2018 onwards in the MFF table in the annex. For 2017 and previous years the own resources ceiling is shown at 1,23% of GNI based on ESA95.

2.2. Main results of the technical adjustment of the MFF for 2019

The overall ceiling for commitment appropriations for 2019 (EUR 164 123 million) equals 1,00% of GNI.

The corresponding overall ceiling concerning the payment appropriations (EUR 166 709 million) equals 1,01% of GNI. On the basis of the latest economic forecasts, this leaves a margin beneath the 1,20% own resources ceiling of EUR 31 159 million (0,19% of GNI for EU-28).

2.3. Adjustment of the sub-ceiling for Heading 2

According to Article 3(1) of the MFF Regulation, the sub-ceiling for heading 2 for market related expenditure and direct payments (first pillar) in the period 2014 to 2020 shall be adjusted following the transfers between the first and second pillars in accordance with the legal act establishing these transfers. The total amount of the Heading 2 ceiling does not change.

First adjustment: The sub-ceiling of Heading 2 was adjusted for the first time in the technical adjustment of the MFF for 2015⁸. This adjustment as detailed in the first table below was reflected in Commission Implementing Regulation (EU) No 367/2014 of 10 April 2014⁹.

⁸ COM(2014) 307 final (28.5.2014)

⁹ Commission Implementing Regulation (EU) No 367/2014 setting the net balance available for EAGF expenditure (OJ L 108, 11.4.2014, p. 13)

Second adjustment: Two rounds of transfers between pillars of the CAP were reflected in the technical adjustment of the MFF for 2016¹⁰ (see second table below). These transfers covered the flexibility between pillars in accordance with Article 136a of Council Regulation (EC) No 73/2009¹¹ and Article 14 of Regulation (EU) No 1307/2013¹², and also the estimated product of reductions to direct payments in accordance with Article 7(2) of this last regulation. The first round of transfers is set out in Commission Delegated Regulation (EU) No 994/2014 of 13 May 2014¹³ and reflected in Commission Implementing Regulation (EU) No 1089/2014 of 16 October 2014¹⁴. The second round of transfers is set out in Commission Delegated Regulation (EU) No 1378/2014 of 17 October 2014¹⁵ and reflected in Commission Implementing Regulation (EU) 2015/141 of 29 January 2015¹⁶.

An unforeseen minor adjustment was made when the legislation implementing the Union rules on direct payments in Wales was annulled by a national court order in 2015. This change is set out in Commission Delegated Regulation (EU) 2016/142 of 2 December 2015¹⁷ and is reflected in Commission Implementing Regulation 2016/257 of 24 February 2016¹⁸.

The last round of transfers between pillars in respect of financial years 2019 and 2020 were notified to the Commission by 1 August 2017 and they are set out in Commission Delegated Regulation (EU) No 162/2018 of 23 November 2017¹⁹ and is

¹⁰ COM(2015) 320 final (22.05.2015)

¹¹ Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003 (OJ L 30, 31.1.2009, p. 16).

¹² Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (OJ L 347, 20.12.2013, p. 608).

¹³ Commission Delegated Regulation (EU) No 994/2014 of 13 May 2014 amending Annexes VIII and VIIIc to Council Regulation (EC) No 73/2009, Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council (OJ L 280, 24.9.2014, p.1).

¹⁴ Commission Implementing Regulation (EU) No 1089/2014 of 16 October 2014 amending Implementing Regulation (EU) No 367/2014 setting the net balance available for EAGF expenditure (OJ L 299, 17.10.2014, p. 7).

¹⁵ Commission Delegated Regulation (EU) No 1378/2014 of 17 October 2014 amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annexes II and III to Regulation (EU) No 1307/2013 of the European Parliament and of the Council (OJ L 367, 23.12.2014, p. 16).

¹⁶ Commission Implementing Regulation (EU) 2015/141 of 29 January 2015 amending Implementing Regulation (EU) No 367/2014 setting the net balance available for EAGF expenditure (OJ L 24, 30.1.2015, p.11).

¹⁷ Commission Delegated Regulation (EU) 2016/142 of 2 December 2015 amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annex III to Regulation (EU) No 1307/2013 of the European Parliament and of the Council (OJ L 28, 4.2.2016, p.8).

¹⁸ Commission Implementing Regulation (EU) 2016/257 of 24 February 2016 amending Implementing Regulation (EU) No 367/2014 setting the net balance available for EAGF expenditure (OJ L 49, 25.02.2016, p.1).

¹⁹ Commission Delegated Regulation (EU) 2018/162 of 23 November 2017 amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annexes II and III to Regulation (EU) No 1307/2013 of the European Parliament and of the Council (OJ L 30, 2.2.2018, p. 6).

reflected in Commission Implementing Regulation 2018/288 of 19 February 2018²⁰ (see the fourth table below).

First adjustment of sub-ceiling for market related expenditures and direct payments for transfer between pillars								
	2014	2015	2016	2017	2018	2019	2020	2014-2020
Initial H2 sub-ceiling	44 130,000	44 368,000	44 628,000	44 863,000	44 889,000	44 916,000	44 941,000	312 735,000
First net transfer from P1 to P2	- 351,900	- 55,600	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000	- 427,500
EAGF net balance after 1 st transfer	43 778,100	44 312,400	44 624,000	44 859,000	44 885,000	44 912,000	44 937,000	312 307,500
H2 sub-ceiling after 1 st transfer	43 779,000	44 313,000	44 624,000	44 859,000	44 885,000	44 912,000	44 937,000	312 309,000
<i>Rounding difference</i>	<i>0,900</i>	<i>0,600</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>1,500</i>

Second and third adjustment of sub-ceiling for market related expenditures and direct payments for transfer between pillars								
	2014	2015	2016	2017	2018	2019	2020	2014-2020
Second and third net transfer from P1 to P2		- 122,615	- 565,099	- 602,292	- 612,437	- 560,134	- 561,777	- 3 024,354
<i>Flexibility between pillars: P2 to P1</i>		<i>499,384</i>	<i>573,047</i>	<i>572,440</i>	<i>571,820</i>	<i>571,158</i>	<i>570,356</i>	<i>3 358,205</i>
<i>Flexibility between pillars: P1 to P2</i>		<i>- 621,999</i>	<i>- 1 138,146</i>	<i>- 1 174,732</i>	<i>- 1 184,257</i>	<i>- 1 131,292</i>	<i>- 1 132,133</i>	<i>- 6 382,559</i>
Reduction DP			- 109,619	- 111,975	- 111,115	- 112,162	- 112,685	- 557,546
EAGF net balance after 3 transfers	43 778,100	44 189,785	43 949,282	44 144,733	44 161,448	44 239,714	44 262,538	308 725,600
H2 sub-ceiling after 3 transfers	43 779,000	44 190,000	43 950,000	44 145,000	44 162,000	44 240,000	44 263,000	308 729,000
<i>Rounding difference</i>	<i>0,900</i>	<i>0,215</i>	<i>0,718</i>	<i>0,267</i>	<i>0,552</i>	<i>0,286</i>	<i>0,462</i>	<i>3,400</i>

Change of the estimated amount of the reduction DP for adjustment of sub-ceiling for market related expenditures and direct payments								
	2014	2015	2016	2017	2018	2019	2020	2014-2020
Change of the estimated amount of the reduction DP (considered as 4 th transfer)			0,960	0,949	0,902	0,794	0,644	4,249
EAGF net balance after correction	43 778,100	44 189,785	43 950,242	44 145,682	44 162,350	44 240,508	44 263,182	308 729,849
H2 sub-ceiling after corrections	43 779,000	44 190,000	43 951,000	44 146,000	44 163,000	44 241,000	44 264,000	308 734,000
<i>Rounding difference</i>	<i>0,900</i>	<i>0,215</i>	<i>0,758</i>	<i>0,318</i>	<i>0,650</i>	<i>0,492</i>	<i>0,818</i>	<i>4,151</i>

Fourth adjustment of sub-ceiling for market related expenditures and direct payments for transfer between pillars								
	2014	2015	2016	2017	2018	2019	2020	2014-2020
Fourth net transfer from P1 to P2						- 360,167	- 375,710	- 735,877
EAGF net balance after 5 th transfer	43 778,100	44 189,785	43 950,242	44 145,682	44 162,350	43 880,341	43 887,472	307 993,972
H2 sub-ceiling after 5 transfers	43 779,000	44 190,000	43 951,000	44 146,000	44 163,000	43 881,000	43 888,000	307 998,000
<i>Rounding difference</i>	<i>0,900</i>	<i>0,215</i>	<i>0,758</i>	<i>0,318</i>	<i>0,650</i>	<i>0,659</i>	<i>0,528</i>	<i>4,028</i>

The modification of the H2 sub-ceiling in current prices needs to be translated into 2011 prices in order to technically adjust the MFF table in 2011 prices. For this purpose the EAGF net balance is first transformed into 2011 prices by using the 2% fixed deflator. This is then rounded up to obtain the adjusted H2 sub-ceiling as the MFF ceilings are only expressed in millions of euros. Only with this rounding-up procedure it can be ensured that the MFF sub-ceiling is always higher than the net balance available for EAGF expenditure. The resulting small difference does not constitute an available margin, but is exclusively arising from the rounding operation as all figures in the MFF table need to be expressed in millions of euro. For each annual budget, the Commission will use the exact amounts of the net balance

²⁰

Commission Implementing Regulation (EU) 2018/288 of 19 February 2018 amending Implementing Regulation (EU) No 367/2014 setting the net balance available for EAGF expenditure (OJ L 55, 27.02.2018, p.18).

available for EAGF expenditure. The same approach was applied in the previous technical adjustments of the MFF.

The table below shows the net result of the transfers between the two pillars of CAP and their impact for Heading 2 subceiling.

Sub-ceiling for EAGF (market related expenditures and direct payments) after transfers in current and 2011 prices

	2014	2015	2016	2017	2018	2019	2020	2014-2020
	- in current prices -							
Initial H2 sub-ceiling	44 130,000	44 368,000	44 628,000	44 863,000	44 889,000	44 916,000	44 941,000	312 735,000
H2 subceiling set in Technical adjustment 2018	43 779,000	44 190,000	43 951,000	44 146,000	44 163,000	44 241,000	44 264,000	308 734,000
Total net transfers from P1 to P2 compared to initial sub-ceiling	- 351,900	- 178,215	- 677,758	- 717,318	- 726,650	-1 035,659	-1 053,528	-4 741,028
EAGF net balance after all transfers	43 778,100	44 189,785	43 950,242	44 145,682	44 162,350	43 880,341	43 887,472	307 993,972
H2 sub-ceiling after all transfers in Technical adjustment 2019	43 779,000	44 190,000	43 951,000	44 146,000	44 163,000	43 881,000	43 888,000	307 998,000
<i>Rounding difference</i>	<i>0,900</i>	<i>0,215</i>	<i>0,758</i>	<i>0,318</i>	<i>0,650</i>	<i>0,659</i>	<i>0,528</i>	<i>4,028</i>
<i>Difference to sub-ceiling in Technical adjustment 2018</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>- 360,000</i>	<i>- 376,000</i>	<i>- 736,000</i>
<i>Difference to original sub-ceiling after all transfers</i>	<i>- 351,000</i>	<i>- 178,000</i>	<i>- 677,000</i>	<i>- 717,000</i>	<i>- 726,000</i>	<i>-1 035,000</i>	<i>-1 053,000</i>	<i>-4 737,000</i>
Annual deflator	1,061	1,082	1,104	1,126	1,149	1,172	1,195	
	- in 2011 prices -							
Initial H2 sub-ceiling	41 585,000	40 989,000	40 421,000	39 837,000	39 079,000	38 335,000	37 605,000	277 851,000
H2 subceiling set in Technical adjustment 2018	41 254,000	40 825,000	39 808,000	39 201,000	38 446,000	37 759,000	37 038,000	274 331,000
EAGF net balance after all transfers	41 253,081	40 824,531	39 807,088	39 200,102	38 445,983	37 451,449	36 723,073	273 705,308
H2 sub-ceiling after all transfers	41 254,000	40 825,000	39 808,000	39 201,000	38 446,000	37 452,000	36 724,000	273 710,000
<i>Rounding difference</i>	<i>0,919</i>	<i>0,469</i>	<i>0,912</i>	<i>0,898</i>	<i>0,017</i>	<i>0,551</i>	<i>0,927</i>	<i>4,692</i>
<i>Difference to sub-ceiling in Technical adjustment 2018</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>- 307,000</i>	<i>- 314,000</i>	<i>- 621,000</i>
<i>Difference to original sub-ceiling after all transfers</i>	<i>- 331,000</i>	<i>- 164,000</i>	<i>- 613,000</i>	<i>- 636,000</i>	<i>- 633,000</i>	<i>- 883,000</i>	<i>- 881,000</i>	<i>-4 141,000</i>

3. GLOBAL MARGIN FOR PAYMENTS (GMP)

According to Article 5 of the MFF Regulation, the Commission shall adjust the payment ceiling for the years 2015-2020 upwards by an amount equivalent to the difference between the executed payments and the MFF payment ceiling of the year n-1. Any upward adjustment shall be fully offset by a corresponding reduction of the payment ceiling for year n-1 in constant 2011 prices.

In the technical adjustment for 2016, the remaining margin of 2014 (EUR 104 million in current prices) was transferred to 2015 (EUR 106 million in current prices) and the ceilings were adjusted accordingly. In the technical adjustment for 2017 the remaining margin of 2015 (EUR 1 288 million) was transferred to the years 2018-2020. In the technical adjustment for 2018 the remaining margin of 2016 (EUR 13 991 million) was transferred to the years 2018-2020. In this year's technical adjustment the GMP for 2017 is calculated.

The payments for other special instruments are treated as being over and above the MFF ceilings²¹. The 2017 payment ceiling was EUR 142 906 million in current prices. After the offsetting of the amount used under the Contingency Margin in 2014 (EUR 2 818,2 million) the remaining payment ceiling used for comparison is EUR 140 087,8 million. The payments executed in 2017 amount to EUR 126 486,6

²¹

Should the European Parliament, the Council and the Commission agree otherwise on payments for special instruments, the Commission shall take account of that agreement when calculating the GMP in future technical adjustments.

million. This amount consists of the executed payments of the payment appropriations authorised in the 2017 budget (EUR 124 690,6 million;) and carry-overs from 2017 to 2018 (EUR 1 796,0 million)²². The payments for special instruments are excluded from the execution (EUR 2 713,3 million, consisting of EUR 2 713,1 million executed and EUR 0,2 million carried-over). Therefore the execution taken into account for the calculation of the GMP is EUR 123 773,3 million (EUR 124 690,6 million + EUR 1 796,0 million – EUR 2 713,3 million).

All carry-overs from 2016 to 2017 were counted as executed for the purposes of the calculation of the 2016 GMP but not all of them were actually executed. Therefore the lapsed carry-overs need to be added to the calculation as they in fact constitute underexecution. The lapsed carry-overs from 2016 to 2017 amount to EUR 99,3 million, of which EUR 0,04 million for the special instruments. The total amount of the lapsed carry-overs taken into account is thus EUR 99,2 million.

The remaining margin under the 2017 payment ceiling is EUR 16 413,7 million in current prices (i.e. EUR 142 906 million – EUR 2 818,2 million - EUR 123 773,3 + EUR 99,2 million). The 2017 ceiling is therefore reduced by EUR 16 414 million in current prices or EUR 14 575 million in 2011 prices.

According to Article 6(2) of the MFF Regulation, the 2% annual deflator shall be used for the calculation of the GMP and the corresponding adjustment of the ceilings. The GMP is transferred to the payment ceilings of the years 2019 and 2020. In 2011 prices EUR 6 379 million is transferred to 2019 (reaching the maximum allowed EUR 11 billion in 2011 prices) and EUR 8 196 million is transferred to 2020 (leaving EUR 183 million below the maximum of EUR 13 billion adjustment). It corresponds to an increase in current prices of EUR 7 474 million in 2019 and EUR 9 795 million in 2020.

This results in an unchanged overall payment ceiling for the period 2014-20 in 2011 prices and an increase of the overall payment ceiling by EUR 855 million in current prices.

The table below shows the details of the calculation of the GMP for 2017.

²² Should any of the carry-overs from 2017 to 2018 lapse in 2018 the corresponding amount will be added to the calculation of the GMP in 2019.

Global Margin for Payments					
mil EUR		2014	2015	2016	2017
(1)	PA ceiling (2011 prices) before GMP	128 030	131 193	131 046	126 897
(2)	PA ceiling (current prices) before GMP	135 866	142 007	144 685	142 906
(3)	Mobilisation Contingency margin	2 818,2	0,0	0,0	-2 818,2
(4) = (2) + (3)	TOTAL CEILING TO COMPARE THE IMPLEMENTATION ON VOTED BUDGET	138 684,2	142 007,0	144 685,0	140 087,8
(5)	Executed payments on the voted budget	137 135,6	139 827,3	130 164,4	124 690,6
(6)	Executed payments on the voted budget for EUSF	150,0	209,5	32,8	1 241,2
(7)	Executed payments on the voted budget for EGF	6,9	7,3	0,1	0,0
(8)	Executed payments on the voted budget for EAR	150,0	150,0	119,0	215,8
(9)	Executed payments on the voted budget for Flexibility instrument	0,0	11,3	832,8	1 256,1
(10) = (6) + (7) + (8) + (9)	Executed payments on the voted budget for special instruments	306,9	378,1	984,7	2 713,1
(11)	Carry-overs from year n to year n+1	1 787,1	1 298,9	1 655,0	1 796,0
(12)	Carry-over from year n to year n+1 for EUSF	0,0	0,0	31,5	0,0
(13)	Carry-over from year n to year n+1 for EGF	35,9	0,6	0,2	0,2
(14)	Carry-over from year n to year n+1 for EAR	0,0	0,0	0,0	0,0
(15)	Carry-over from year n to year n+1 for Flexibility	0,0	0,0	0,0	0,0
(16) = (12) + (13) + (14) + (15)	Carry-over of special instruments	35,9	0,6	31,7	0,2
(17) = (10) + (16)	Total execution + carry-over of Special instruments	342,7	378,7	1 016,3	2 713,3
(18) = (5) + (11) - (17)	TOTAL EXECUTED PAYMENTS + CARRY-OVER n TO n+1 EXCLUDING SPECIAL INSTRUMENTS	138 580,0	140 747,5	130 803,0	123 773,3
(19)	Lapsed carry-overs (co) from year n-1 to year n	n/a	28,6	109,4	99,2
(20)	Lapsed co from year n to year n+1 for EUSF	n/a	0,0	0,0	0,0
(21)	Lapsed co from year n to year n+1 for EGF	n/a	0,2	0,1	0,0
(22)	Lapsed co from year n to year n+1 for EAR	n/a	0,0	0,0	0,0
(23)	Lapsed co from year n to year n+1 for Flexibility	n/a	0,0	0,0	0,0
(24) = (20) + (21) + (22) + (23)	Lapsed carry-over of special instruments	n/a	0,2	0,1	0,0
(25) = (4) - (18) + (19) - (24)	Remaining margin	104,2	1 287,9	13 991,3	16 413,7
(26) = 25 rounded to millions	GLOBAL MARGIN FOR PAYMENTS (current prices)	104,0	1 288,0	13 991,0	16 414,0
(27) = (26) adjusted to 2011 prices using 2% deflator	GLOBAL MARGIN FOR PAYMENTS (2011 prices)	98,0	1 190,0	12 672,0	14 575,0

The table below shows the corresponding adjustments of the payment ceilings:

Adjustment of the ceilings	2014	2015	2016	2017	2018	2019	2020	2014-20
Ceilings as adopted in Dec 2013								
2011 prices	128 030	131 095	131 046	126 777	129 778	130 893	130 781	908 400
current prices	135 866	141 901	144 685	142 771	149 074	153 362	156 295	1 023 954
GMP 2014								
adjustment of the ceilings (2011 prices)	-98,0	98						0
adjustment of the ceilings (current prices)	-104,0	106						2
Adjusted ceilings (Tech. adjustment for 2016)								
2011 prices	127 932	131 193	131 046	126 777	129 778	130 893	130 781	908 400
current prices	135 762	142 007	144 685	142 771	149 074	153 362	156 295	1 023 956
GMP 2015								
adjustment of the ceilings (2011 prices)		-1 190,0			396	397	397	0
adjustment of the ceilings (current prices)		-1 288,0			455	465	474	106
Adjusted ceilings GMP 2015								
2011 prices	127 932	130 003	131 046	126 777	130 174	131 290	131 178	908 400
current prices	135 762	140 719	144 685	142 771	149 529	153 827	156 769	1 024 062
Adjustment of Cohesion Policy envelopes TA 2017								
adjustment of the ceilings (2011 prices)				120	161	392	493	1 166
adjustment of the ceilings (current prices)				135	184	459	589	1 367
Adjusted ceilings (Tech. adjustment for 2017)								
adjustment of the ceilings (2011 prices)	127 932	130 003	131 046	126 897	130 335	131 682	131 671	909 566
adjustment of the ceilings (current prices)	135 762	140 719	144 685	142 906	149 713	154 286	157 358	1 025 429
GMP 2016								
adjustment of the ceilings (2011 prices)			-12 672,0		4 224	4 224	4 224	0
adjustment of the ceilings (current prices)			-13 991,0		4 852	4 949	5 048	858
Adjusted ceilings (Tech. adjustment for 2018)								
2011 prices	127 932	130 003	118 374	126 897	134 559	135 906	135 895	909 566
current prices	135 762	140 719	130 694	142 906	154 565	159 235	162 406	1 026 287
GMP 2017								
adjustment of the ceilings (2011 prices)				-14 575,0		6 379	8 196	0
adjustment of the ceilings (current prices)				-16 414,0		7 474	9 795	855
Adjusted ceilings (Tech. adjustment for 2019)								
2011 prices	127 932	130 003	118 374	112 322	134 559	142 285	144 091	909 566
current prices	135 762	140 719	130 694	126 492	154 565	166 709	172 201	1 027 142
Difference to the original ceilings								
2011 prices	-98	-1 092	-12 672	-14 455	4 781	11 392	13 310	1 166
current prices	-104	-1 182	-13 991	-16 279	5 491	13 347	15 906	3 188
Transfer ceilings					2018	2019	2020	
GMP transfer ceiling (2011 prices)					7 000	11 000	13 000	
GMP transfers with TAJU 2019 included (2011 prices)					4 620	11 000	12 817	
Remaining transfer limit (2011 prices)					2 380	0	183	
Remaining transfer limit (current prices)					2 734	0	219	

4. SPECIAL INSTRUMENTS

A number of instruments are available outside expenditure ceilings agreed in the financial framework 2014-2020. These instruments aim to provide rapid response to exceptional or unforeseen events, and provide some flexibility beyond the agreed expenditure ceilings within certain limits.

4.1. Emergency Aid Reserve

According to Article 9 of the amended MFF Regulation the Emergency Aid Reserve can be mobilised up to a maximum amount of EUR 300 million per year in 2011 prices, or EUR 351,5 million in 2019 at current prices (EUR 2 301,4 million for the whole period in current prices). The unused amount of the previous year can be carried over to the following year. The carry-over from 2017 to 2018 amounts to EUR 61,7 million.

The table below shows the details of the annual availabilities and usage of the EAR since 2014:

Emergency Aid Reserve								EUR million
	2014	2015	2016	2017	2018	2019	2020	Total
Annual amounts in 2011 prices	280,0	280,0	280,0	300,0	300,0	300,0	300,0	2 040,0
Annual amounts in current prices	297,0	303,0	309,0	337,8	344,6	351,5	358,5	2 301,4
Carried-over from the previous year	0,0	198,9	219,4	98,6	61,7			
Annual usage	98,1	282,5	429,8	374,7				1 185,1
Carried-over to the following year	198,9	219,4	98,6	61,7				
<i>Lapsed</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>				<i>0,0</i>

4.2. European Union Solidarity Fund

According to Article 10 of the MFF Regulation, the EU Solidarity Fund can be mobilised up to a maximum amount of EUR 500 million per year in 2011 prices, or EUR 585,8 million in 2019 at current prices (EUR 3 944,7 million for the whole period in current prices). The unused amount of the previous year can be carried over to the following year. The carry-over from 2017 to 2018 amounts to EUR 140,8 million. No amount lapsed at the end of 2017. EUR 294 million of the 2018 portion was frontloaded to 2017, in order to provide sufficient financing to the needs (earthquakes in Italy).

The table below shows the details of the annual availabilities and usage of the EUSF since 2014:

European Union Solidarity Fund								EUR million
	2014	2015	2016	2017	2018	2019	2020	Total
Annual amounts in 2011 prices	500,0	500,0	500,0	500,0	500,0	500,0	500,0	3 500,0
Annual amounts in current prices	530,6	541,2	552,0	563,1	574,3	585,8	597,5	3 944,7
Carried-over from the previous year	0,0	403,9	541,2	552,0	140,8			
Frontloaded from the following year	0,0	0,0	0,0	294,0				
Annual usage	126,7	82,8	33,1	1 268,3				1 511,0
Carried-over to the following year	403,9	541,2	552,0	140,8				
<i>Lapsed</i>	<i>0,0</i>	<i>321,1</i>	<i>508,1</i>	<i>0,0</i>				<i>829,2</i>

4.3. Flexibility Instrument

According to Article 11 of the amended MFF Regulation the Flexibility Instrument can be mobilised up to a maximum annual amount of EUR 600 million in 2011 prices, or EUR 703 million in 2019 in current prices (EUR 4 315 million for the whole period in current prices). The unused annual amounts of the previous 3 years may be carried over.

According to Article 6(1)f referring to Art 11(1) second subparagraph each year, starting in 2017, the annual amount available for the Flexibility Instrument shall be increased by the amounts equivalent to the portion of the annual amount for the European Union Solidarity Fund and the European Globalisation Adjustment Fund which have lapsed in the previous year.

The table below shows the details of the annual availabilities and usage of the Flexibility Instrument since 2014:

Flexibility Instrument								EUR million
	2014	2015	2016	2017	2018	2019	2020	Total
Annual amounts in 2011 prices	471,0	471,0	471,0	600,0	600,0	600,0	600,0	3 813,0
Annual amounts in current prices	500,0	510,0	520,0	676,0	689,0	703,0	717,0	4 315,0
Carried-over from the previous year	276,0	686,7	1 010,0	0,0	517,0			
<i>Increased with lapsed amount of EGF</i>				138,0	151,0			289,0
<i>Increased with lapsed amount of EUSF</i>				508,0	0,0			508,0
Annual usage	89,3	149,4	1 530,0	805,0	837,2			3 411,0
Carried-over to the following year	686,7	1 010,0	0,0	517,0				
<i>Lapsed</i>	0,0	37,2	0,0	0,0				37,2

4.4. European Globalisation Adjustment Fund

According to Article 12 of the MFF Regulation, the European Globalisation Adjustment Fund can be mobilised up to a maximum of EUR 150 million per year in 2011 prices, or EUR 175,7 million in 2019 in current prices (EUR 1 183,4 million for the whole period in current prices). Unused amounts of previous years cannot be carried over. The amount of EUR 151 million which lapsed at the end of 2017 is used to increase Flexibility Instrument in 2018.

The table below shows the details of the annual availabilities and usage of the EGF since 2014:

European Globalisation Adjustment Fund								EUR million
	2014	2015	2016	2017	2018	2019	2020	Total
Annual amounts in 2011 prices	150,0	150,0	150,0	150,0	150,0	150,0	150,0	1 050,0
Annual amounts in current prices	159,2	162,4	165,6	168,9	172,3	175,7	179,3	1 183,4
Annual usage	81,0	43,4	28,0	18,1				170,5
<i>Lapsed</i>	78,2	119,0	137,6	150,8				485,6

4.5. Contingency Margin

According to Article 13 of the MFF Regulation, a Contingency Margin of up to 0,03% of the Gross National Income of the Union shall be constituted outside the ceilings of the financial framework for the period 2014-2020.

The absolute amount of the Contingency Margin for the year 2019 is EUR 4 946,7 million.

4.6. Global Margin for Commitments for growth and employment, in particular youth employment, and for migration and security measures (GMC)

According to Article 14 of the MFF Regulation, as amended by Council Regulation (EU, Euratom) No 2017/1123, margins left available below the MFF ceilings for commitment appropriations shall constitute a Global Margin for Commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment, and to migration and security.

In the final budget 2017 the margin left available under the commitment ceiling in 2017 amounts to EUR 1 115,5 million. The commitments on Special instruments

(including the use of GMC and the Contingency margin) are not taken into account as they are implemented over and above the MFF ceilings.

According to Article 6(2) of the MFF Regulation, the 2% annual deflator shall be used for the calculation of the GMC. The amount of the remaining margin from 2017 which shall be made available for 2018 corresponds to EUR 1 115,5 million in current prices in 2017 or EUR 1 137,8 million in current prices in 2018²³ (EUR 1 160,6 million in current prices in 2019). The amount of GMC in 2011 prices corresponds to EUR 990,5 million.

The table below shows the details of the calculation of the GMC 2017:

Global Margin for Commitments - 2017	
<i>EUR million</i>	
Commitment ceiling 2017	155 631,0
Total authorised appropriations budget 2017	159 831,5
of which special instruments:	5 315,9
European Union Solidarity Fund	1 241,2
European Globalisation Adjustment Fund	168,9
Emergency Aid Reserve	337,8
Flexibility instrument	805,0
Contingency margin	823,9
GMC mobilized in 2017	1 939,1
GMC 2017 (current prices)	1 115,5
<i>GMC 2017 (2011 prices)</i>	<i>990,5</i>
GMC 2017 available in 2018 (current prices)	1 137,8
GMC 2017 available in 2019 (current prices)	1 160,6

Currently, a portion of the GMC 2016 (EUR 550,9 million in 2018 prices) remains available. The overall availability of the GMC in 2018 is therefore EUR 1 688,7 million (in current prices).

The table below shows the details of the availabilities and usage of the GMC since 2014:

²³

Should the whole or part of the amount be used in the years 2019-20, the amount shall be adjusted correspondingly by applying the 2% annual deflator in accordance with Article 6(2) of the MFF Regulation.

<i>EUR million</i>	2014	2015	2016	2017	2018
Commitment margin available at year-end	521,9	1 383,2	2 090,2	1 115,5	1 600,3
Annual GMC available	0,0	0,0	1 953,9	3 571,1	2 802,4
<i>GMC 2014</i>	-	-	543,0	0,0	0,0
<i>GMC 2015</i>	-	-	1 410,9	1 439,1	0,0
<i>GMC 2016</i>	-	-	-	2 132,0	1 664,6
<i>GMC 2017</i>	-	-	-	-	1 137,8
Annual use of GMC	0,0	0,0	-543,0	-1 939,1	-1 113,7
<i>GMC 2014</i>	-	-	-543,0	0,0	0,0
<i>GMC 2015</i>	-	-	0,0	-1 439,1	0,0
<i>GMC 2016</i>	-	-	-	-500,0	-1 113,7
Remaining GMC at year-end	0,0	0,0	1 410,9	1 632,0	1 688,7
<i>GMC 2014</i>	-	-	0,0	0,0	0,0
<i>GMC 2015</i>	-	-	1 410,9	0,0	0,0
<i>GMC 2016</i>	-	-	-	1 632,0	550,9
<i>GMC 2017</i>	-	-	-	-	1 137,8

5. SUMMARY TABLE AND CONCLUSIONS

The tables below summarise the changes to the ceilings for commitment and payment appropriations in the financial framework based on Articles 3(1) and 5 of the MFF Regulation in current and 2011 prices:

EUR million, current prices	2014	2015	2016	2017	2018	2019	2020	2014-2020
2. Preservation and Management of Natural Resources						0	0	0
<i>of which: market related expenditure and direct payments</i>						-360	-376	-736
Total change in commitment appropriations	0	0	0	0	0	0	0	0
Total change in payment appropriations				-16 414	0	7 474	9 795	855
of which: GMP				-16 414	0	7 474	9 795	855

EUR million, 2011 prices	2014	2015	2016	2017	2018	2019	2020	2014-2020
2. Preservation and Management of Natural Resources						0	0	0
<i>of which: market related expenditure and direct payments</i>						-307	-314	-621
Total change in commitment appropriations	0	0	0	0	0	0	0	0
Total change in payment appropriations				-14 575	0	6 379	8 196	0
of which: GMP				-14 575	0	6 379	8 196	0



Brussels, 23.5.2018
COM(2018) 282 final

ANNEX

ANNEX

to the

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE
EUROPEAN PARLIAMENT**

**Technical adjustment of the financial framework for 2019 in line with movements in
GNI (ESA 2010)**

**(Article 6 of Council Regulation No 1311/2013 laying down the multiannual financial
framework for the years 2014-2020)**

Table 1 MULTIANNUAL FINANCIAL FRAMEWORK (EU 28) ADJUSTED FOR 2019*

(EUR million - 2011 prices)

COMMITMENT APPROPRIATIONS	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. Smart and Inclusive Growth	49 713	72 047	62 771	65 277	66 528	68 214	70 004	454 554
1a: Competitiveness for growth and jobs	15 605	16 321	16 726	17 693	18 490	19 700	21 079	125 614
1b: Economic, social and territorial cohesion	34 108	55 726	46 045	47 584	48 038	48 514	48 925	328 940
2. Sustainable Growth: Natural Resources	46 981	59 765	58 204	53 448	52 466	51 503	50 558	372 925
of which: Market related expenditure and direct payments	41 254	40 825	39 808	39 201	38 446	37 452	36 724	273 710
3. Security and citizenship	1 637	2 269	2 306	2 289	2 312	2 391	2 469	15 673
4. Global Europe	7 854	8 083	8 281	8 375	8 553	8 764	8 794	58 704
5. Administration	8 218	8 385	8 589	8 807	9 007	9 206	9 417	61 629
of which: Administrative expenditure of the institutions	6 649	6 791	6 955	7 110	7 278	7 425	7 590	49 798
6. Compensations	27	0	0	0	0	0	0	27
TOTAL COMMITMENT APPROPRIATIONS	114 430	150 549	140 151	138 196	138 866	140 078	141 242	963 512
as a percentage of GNI	0,88%	1,13%	1,03%	1,01%	1,00%	0,99%	0,98%	1,00%
TOTAL PAYMENT APPROPRIATIONS	127 932	130 003	118 374	112 322	134 559	142 285	144 091	909 566
as a percentage of GNI	0,98%	0,98%	0,87%	0,82%	0,97%	1,01%	1,00%	0,95%
Margin available	0,25%	0,25%	0,36%	0,41%	0,23%	0,19%	0,20%	0,27%
Own Resources Ceiling as a percentage of GNI	1,23%	1,23%	1,23%	1,23%	1,20%	1,20%	1,20%	1,22%

* underlying GNI based on ESA 2010 from 2018 onwards

Table 2 MULTIANNUAL FINANCIAL FRAMEWORK (EU 28) ADJUSTED FOR 2019*

		<i>(EUR million - current prices)</i>							
COMMITMENT APPROPRIATIONS		2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. Smart and Inclusive Growth		52 756	77 986	69 304	73 512	76 420	79 924	83 661	513 563
1a: Competitiveness for growth and jobs		16 560	17 666	18 467	19 925	21 239	23 082	25 191	142 130
1b: Economic, social and territorial cohesion		36 196	60 320	50 837	53 587	55 181	56 842	58 470	371 433
2. Sustainable Growth: Natural Resources		49 857	64 692	64 262	60 191	60 267	60 344	60 421	420 034
of which: Market related expenditure and direct payments		43 779	44 190	43 951	44 146	44 163	43 881	43 888	307 998
3. Security and citizenship		1 737	2 456	2 546	2 578	2 656	2 801	2 951	17 725
4. Global Europe		8 335	8 749	9 143	9 432	9 825	10 268	10 510	66 262
5. Administration		8 721	9 076	9 483	9 918	10 346	10 786	11 254	69 584
of which: Administrative expenditure of the institutions		7 056	7 351	7 679	8 007	8 360	8 700	9 071	56 224
6. Compensations		29	0	0	0	0	0	0	29
TOTAL COMMITMENT APPROPRIATIONS		121 435	162 959	154 738	155 631	159 514	164 123	168 797	1 087 197
as a percentage of GNI		0,90%	1,17%	1,05%	1,04%	1,02%	1,00%	0,99%	1,02%
TOTAL PAYMENT APPROPRIATIONS		135 762	140 719	130 694	126 492	154 565	166 709	172 201	1 027 142
as a percentage of GNI		1,01%	1,01%	0,88%	0,84%	0,98%	1,01%	1,01%	0,96%
Margin available		0,22%	0,22%	0,35%	0,39%	0,22%	0,19%	0,19%	0,26%
Own Resources Ceiling as a percentage of GNI		1,23%	1,23%	1,23%	1,23%	1,20%	1,20%	1,20%	1,22%

* underlying GNI based on ESA 2010 from 2018 onwards