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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 5 February 2015

To: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No. Cion doc.: COM(2015) 46 final

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL amending Regulation (EU) No 1304/2013 of the
European Parliament and the Council on the European Social Fund, as
regards an increase of the initial pre-financing amount paid to operational
programmes supported by the Youth Employment Initiative

Delegations will find attached document COM(2015) 46 final.

Encl.: COM(2015) 46 final



Brussels, 4.2.2015
COM(2015) 46 final

2015/0026 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 1304/2013 of the European Parliament and the Council on the European Social Fund, as regards an increase of the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Giving "a new boost to jobs, growth and investment" is an essential priority of the new Commission. In its Work Programme for 2015, the Commission committed to take initiatives to promote integration and employability in the labour market, including measures to support Member States in getting young people into work. The proposal on the table regarding the Youth Employment Initiative is one of the ways to take this priority forward without delay.

The Youth Employment Initiative (YEI) was adopted following a high-level political call from the European Council of February 2013 to address the unprecedented levels of youth unemployment in certain regions of the European Union (EU) facing a particularly difficult situation. The February 2013 Council and subsequent Council conclusions once again stressed that the highest priority should be given to promoting youth employment. The European Council called for the EU budget to be mobilised in support to Member States' efforts in counteracting this trend. The purpose of the YEI is to provide additional funding for promoting youth employment to the regions most affected by youth unemployment including through the implementation of the Council recommendation on establishing the Youth Guarantee. Support provided under the YEI can only directly target young people not in employment, education or training and, unlike the European Social Fund, it cannot support systems and structures. The YEI is integrated in the programming of the ESF and the programming arrangements can take the form of a dedicated operational programme, a dedicated priority axis within an operational programme or a part of one or more priority axes.

Due to the urgency of the youth unemployment situation already from the outset the Commission proposed special provisions so that the total amount of resources allocated to the YEI are committed (frontloaded) in the first two years of the 2014-2020 programming period, in order to allow for a speedy and substantial mobilisation of youth measures and for immediate results. Operations under the YEI therefore have to be implemented, in principle, by the end of 2018 and not 2023 as it is the case for other operations supported by the European Structural and Investment Funds (ESI Funds), including the European Social Fund. In addition, it was decided that expenditure under the YEI is eligible as from 1 September 2013 and that no national co-financing is required for the specific allocation for the YEI. There are also other provisions in the 2014-2020 regulatory framework to speed up the implementation of the YEI.

The shorter implementation period of the YEI implies that progress with the implementation on the ground in the first years will be crucial for the overall success of the Initiative to tackle the problem faced by 7 million young Europeans who are without a job and are not in education or training. Any further delays in the implementation of the YEI are likely to compromise the process and actions undertaken by Member States to combat youth unemployment.

However, one year after the adoption of the ESF Regulation and the YEI, the results do not meet the initial expectations. The frontloading of the YEI commitments as such and the other specific measures for the YEI have not led to the expected quick mobilisation of the resources from the YEI. Among the main reasons identified are the ongoing process of negotiation of the relevant operational programmes and the roll-out of respective implementation

arrangements in the Member States; the limited capacity of the authorities to launch calls for projects and to process applications speedily and the lack of sufficient pre-financing to launch the necessary measures. The latter issue has been raised at political level by, Member States. A number of them have reported, at various levels, including in the context of meetings of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) as well as in bilateral meetings with the Commission, that they are facing significant difficulties in starting the implementation of operations due to the absence of sufficient funding to advance payments to beneficiaries. From its side the European Parliament voiced concerns about the slow take-up of the YEI. This situation is particularly acute in the Member States with the highest levels of youth unemployment since they are also the ones which are facing more budgetary constraints and lack of funding.

The Commission has already adopted 28 out of the 34 operational programmes implementing the YEI and has closed negotiations on a further four of those programmes which are pending adoption. In addition, the Council adopted in 2014, a number of country-specific recommendations calling on Member States to intensify their efforts in reducing youth unemployment. Administrative capacity and programme implementation arrangements for the current period are being put in place by the Member States and the Commission has been supporting this process through technical guidance. In terms of immediate action on the Commission's side regarding pre-financing, the present proposal intends to respond to the issue raised by the Member States.

The current levels of the initial pre-financing established in the Common Provisions Regulation have proved to be insufficient to close the existing funding gap and - taking into account the political commitment entailed by the YEI - to support the effort of providing an immediate and quick response to the unacceptably high level of youth unemployment in the EU. The current levels of the initial pre-financing immediately paid upon adoption of an operational programme equal 1% of the Union contribution to that operational programme (or 1,5% for Member States under financial assistance). In addition, interim payments to the Member State can only be made on the basis of expenditure already incurred by beneficiaries and paid, which is certified by the Member State. Interim payments are to be used to reimburse beneficiaries for incurred expenditure. Therefore the interim payments are insufficient to make advance payments to beneficiaries.

This situation, coupled with the increase in the rate of young people at risk of poverty or social exclusion, calls for additional measures to be put in place that address the specificities of the YEI. The frontloading of the YEI resources should be backed by mechanisms that can actually ensure a quick mobilisation of the funding to operations in the first years of the programming period. In particular, it is necessary to ensure that the initial pre-financing paid to operational programmes implementing the YEI is sufficient to fund payments to beneficiaries to start and implement operations. Contrary to the other shared management programmes, the YEI is supported by a specific allocation which is fully funded by the EU budget. The specific allocation for the YEI is, thus, the only source of funding under shared management which benefits of the exemption of the national co-financing requirement. With the present proposal, the initial pre-financing made available from the specific allocation for the YEI in 2015 will be increased to about EUR 1 billion. The present proposal does not alter the initial pre-financing paid from the ESF to operational programmes implementing the YEI, neither does it alter the initial pre-financing to be paid in 2016 from the specific allocation for the YEI. Furthermore, it does not affect the initial pre-financing paid to other programmes co-financed by other ESI Funds.

This increase of the initial pre-financing from the specific allocation for the YEI paid to operational programmes supported by the YEI (irrespective of the form of the programming arrangements) is considered as adequate and fully in line with the specific rules applicable to the YEI. Furthermore, this proposal intends to adjust the YEI pre-financing profile to the one of cohesion policy programmes and thus allow for the same level of pre-financing in relation to YEI as is normally the case for other programmes. In this sense the proposal aims to ensure equal treatment between the YEI and cohesion policy funds.

Moreover, the initial pre-financing should only be used by the Member States for payments to beneficiaries in the implementation of the programme supported by the YEI, in accordance with Article 81 (2) of the Common Provisions Regulation and has to be made available to the responsible body without delay. In addition, to ensure that the additional pre-financing results in immediate implementation of the YEI, this proposal foresees for these operational programmes that if 12 months after the entry into force of this Regulation the Commission has not received interim payment applications in which the Union contribution from the YEI amounts to at least 50% of the additional pre-financing, the additional pre-financing will need to be reimbursed to the Commission.

This proposal is in line with the political commitment of the European Union to provide an immediate support to the integration of young people into the labour market.

Last but not least, this proposal of increasing pre-financing payments to the Member States does not alter the already agreed overall financial profile of national allocations: it merely proposes to advance in time the allocations that already have been secured in the EU budget for the YEI. The present proposal therefore increases the flexibility for the Member States to access this funding and mobilise it more thoroughly, which would facilitate its implementation and thus using it to launch measures that directly benefit the integration of young Europeans into the labour market, notably through providing jobs, apprenticeships and traineeships.

If the current proposal were not to be adopted, the implementation of the YEI would continue to be very much delayed – contrary to the European Council's call for urgent action. As a result of the lack of readily available funding, crucial and much needed policy measures for the integration of young people into the labour market would be seriously hampered.

In this context, there is an urgent need to increase the amount of funding made available early in the programming period for operations supported by the YEI. It is therefore necessary to increase the initial pre-financing of the specific allocation for the YEI to allow speeding up the implementation of the YEI. The proposed pre-financing rate provides a maximum impact without exceeding the budget availability for the YEI.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

There was no consultation of external stakeholders.

3. LEGAL ELEMENTS OF THE PROPOSAL

It is proposed to introduce an additional provision in Regulation (EU) No 1304/2013, Article 22a, on the additional initial pre-financing for operational programmes supported by the YEI.

4. BUDGETARY IMPLICATION

The proposed modification does not imply any changes in the Multiannual Financial Framework annual ceilings for commitments and payments as per Annex I of Regulation (EU) No 1311/2013. The proposal is budgetary neutral over the 2014-2020 programming period.

The annual breakdown of commitment appropriations for the YEI remains unchanged.

The increased need for payment appropriations for the YEI additional initial pre-financing in 2015 will be fully covered by appropriations of the 2015 budget for the YEI specific allocation. Consequently, the proposed modification should not trigger a potential backlog of 2014-2020 unpaid claims.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 1304/2013 of the European Parliament and the Council on the European Social Fund, as regards an increase of the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative

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 Article 164 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) In light of the persistent high levels of youth unemployment in the Union, a Youth Employment Initiative (YEI) was established to provide support to young persons not in employment, education or training in the most affected regions. To ensure a quick response to fighting youth unemployment, Regulation (EU) No 1303/2013 of the European Parliament and the Council³ and Regulation (EU) No 1304/2013 of the European Parliament and the Council⁴ lay down provisions to allow for a quicker mobilisation of the resources allocated to the YEI, including, inter alia, the commitment of all the resources in the first two years of the programming period, the

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 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 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006, OJ L 347, 20.12.2013, p. 470.

possibility to adopt operational programmes dedicated to the YEI before the Partnership Agreement is submitted to the Commission and the eligibility of expenditure incurred with operations under the YEI as from 1 September 2013.

- (2) The budgetary constraints faced by Member states and the lack of available funding at the initial stage of the programming period have caused significant delays in the implementation of the YEI. Regulation (EU) No 1303/2013 establishes the levels for the initial pre-financing amount to be paid to ensure that Member States have the means to provide support to beneficiaries from the start of implementation of operational programmes. In the context of the YEI these amounts have been considered insufficient to provide the necessary payments to beneficiaries for the implementation of operations.
- (3) In order to address the budgetary constraints faced by Member States at the initial stage of the programming period and, taking into account the urgent need to address youth unemployment and the specific features of the YEI, it is appropriate to lay down provisions in order to complement Regulation (EU) No 1303/2013, with a view to increase the level of the initial pre-financing paid to operational programmes supported by the YEI in 2015. To ensure that Member States have sufficient means to provide payments to beneficiaries responsible for the implementation of operations that target youth unemployment, an additional initial pre-financing amount from the specific allocation for the YEI should be paid in 2015 for operational programmes supported by the YEI, in order to complement the pre-financing amounts paid in accordance with Regulation (EU) No 1303/2013.
- (4) To ensure that the additional initial pre-financing amount is used for the immediate implementation of the YEI, it should be foreseen that this amount is reimbursed to the Commission, if the Union contribution from the YEI does not amount to an adequate level in interim payment applications submitted to the Commission 12 months after the entry into force of this Regulation.
- (5) In order to allow for the prompt application of the measures provided for in this Regulation, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.
- (6) Regulation (EU) No 1304/2013 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

In Regulation (EU) No 1304/2013 the following Article 22a is inserted:

'Article 22a

Payment of additional pre-financing to operational programmes supported by the YEI

1. In addition to the initial pre-financing amount paid in accordance with point (b) of Article 134(1) of Regulation (EU) No 1303/2013, an initial pre-financing amount from the specific allocation for the YEI shall be paid in 2015 for all operational programmes supported by the YEI, irrespective of the form of the programming

arrangement in accordance with Article 18, in order to increase the initial pre-financing from the specific allocation for the YEI to 30 %.

2. For the purposes of the calculation of the additional pre-financing to be paid pursuant to paragraph 1, the amounts paid from the specific allocation for the YEI to the operational programme in accordance with point (b) of Article 134(1) of Regulation (EU) No 1303/2013 shall be deducted.
3. If 12 months after the entry into force of this Regulation, Member States do not submit interim payment applications in which the Union contribution from the YEI is at least equal to 50% of the additional pre-financing, they shall reimburse to the Commission the total amount of the additional pre-financing paid in accordance with paragraph 1. The contribution from the specific allocation for the YEI to the operational programme concerned shall not be affected by such reimbursement.'

Article 2

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
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on operational appropriations*
 - 3.2.3. *Estimated impact on appropriations of an administrative nature*
 - 3.2.4. *Compatibility with the current multiannual financial framework*
 - 3.2.5. *Third-party contributions*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for amending Regulation (EU) No 1304/2013 of the European Parliament and the Council on the European Social Fund, as regards an increase of the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative

1.2. Policy area(s) concerned in the ABM/ABB structure⁵

4 Employment, social affairs and inclusion 040264 Yout Employment Initiative

1.3. Nature of the proposal/initiative

- The proposal/initiative relates to **a new action**
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**⁶
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objective(s)

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

N/A

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

<u>Specific objective No</u> N/A <u>ABM/ABB activity(ies) concerned</u> N/A
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⁵ ABM: activity-based management; ABB: activity-based budgeting.

⁶ As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

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 results and impact*

Specify the indicators for monitoring implementation of the proposal/initiative.

N/A

1.5. Grounds for the proposal/initiative

1.5.1. *Requirement(s) to be met in the short or long term*

N/A

1.5.2. *Added value of EU involvement*

N/A

1.5.3. *Lessons learned from similar experiences in the past*

N/A

1.5.4. *Compatibility and possible synergy with other appropriate instruments*

N/A

1.6. Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from 01/01/2015 to 31/12/2023
- Financial impact in 2015

Proposal/initiative of **unlimited duration**

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

1.7. Management mode(s) planned⁷

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 208 and 209 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

⁷

Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

N/A

2.2. Management and control system

2.2.1. Risk(s) identified

N/A

2.2.2. Information concerning the internal control system set up

N/A

2.2.3. Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error

N/A

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

N/A

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. 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 [Heading.....]	Diff./Non-diff. ⁸	from EFTA countries ⁹	from candidate countries ¹⁰	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
1 Smart and Inclusive Growth	04.0264 [Youth Employment Initiative]	Diff.	NO	NO	NO	NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	[XX.YY.YY.YY]		YES/NO	YES/NO	YES/NO	YES/NO

⁸ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

⁹ EFTA: European Free Trade Association.

¹⁰ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

The proposed modification does not imply any changes in the Multiannual Financial Framework annual ceilings for commitments and payments as per Annex I of the Regulation (EU) 1311/2013.

The annual breakdown of commitment appropriations for YEI remains unchanged.

The increased need for payment appropriations for the YEI initial pre-financing in 2015 will be covered by TITLE 4 (Employment, Social Affairs and Inclusion) appropriations of the 2015 budget for the ESF and YEI.

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework		Number	Smart and Inclusive Growth									
			2014	2015	2016	2017	2018 ¹¹	2019	2020	TOTAL		
DG: EMPL												
• Operational appropriations												
04.0264	Commitments	(1)	0	0	0	0	0	0	0	0	0	0
[Youth Employment Initiative]	Payments	(2)	0	930.000	0	0	0	-930.000	0	0	0	0
Appropriations of an administrative nature financed from the envelope of specific programmes ¹²												

¹¹ In line with Art. 136 of Regulation (EU) No 1303/2013 the pre-financing shall be justified (cleared) with YEI expenditure declared by 31/12/2018.

N/A		(3)								
TOTAL appropriations for DG EMPL	Commitments	=1+1a+3	0	0	0	0	0	0	0	0
	Payments	=2+2a+3	0	930.000	0	0	0	-930.000	0	0

• TOTAL operational appropriations	Commitments	(4)	0	0	0	0	0	0	0	0
	Payments	(5)	0	930.000	0	0	0	-930.000	0	0
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes	Commitments	(6)	0	0	0	0	0	0	0	0
	Payments	=4+6	0	0	0	0	0	0	0	0
TOTAL appropriations under HEADING 1 of the multiannual financial framework	Commitments	=4+6	0	0	0	0	0	0	0	0
	Payments	=5+6	0	930.000	0	0	0	-930.000	0	0

If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes	Commitments	(6)								
	Payments	=4+6								
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+6								
	Payments	=5+6								

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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.

Heading of multiannual financial framework	5	‘Administrative expenditure’
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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 5 of the multiannual financial framework	(Total commitments = Total payments)					
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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
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework						
Commitments						
Payments						

¹³ Year N is the year in which implementation of the proposal/initiative starts.

3.2.2. Estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓	Type ¹⁴	Average cost	Year				Enter as many years as necessary to show the duration of the impact (see point 1.6)				TOTAL				
			N	N+1	N+2	N+3	2021	2022	2023	2024	Cost	Total No	Total cost		
OUTPUTS															
SPECIFIC OBJECTIVE No 1 ¹⁵ ...															
- Output															
- Output															
- Output															
Subtotal for specific objective No 1															
SPECIFIC OBJECTIVE No 2 ...															
- Output															
Subtotal for specific objective No 2															
TOTAL COST															

¹⁴ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).
¹⁵ As described in point 1.4.2. 'Specific objective(s)...'

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- 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 ¹⁶	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 5 of the multiannual financial framework							
Human resources							
Other administrative expenditure							
Subtotal HEADING 5 of the multiannual financial framework							

Outside HEADING 5¹⁷ of the multiannual financial framework							
Human resources							
Other expenditure of an administrative nature							
Subtotal outside HEADING 5 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.

¹⁶ Year N is the year in which implementation of the proposal/initiative starts.

¹⁷ 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.

3.2.3.2. 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)							
XX 01 01 01 (Headquarters and Commission's Representation Offices)							
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External staff (in Full Time Equivalent unit: FTE)¹⁸							
XX 01 02 01 (AC, END, INT from the 'global envelope')							
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)							
XX 01 04 yy¹⁹	- at Headquarters						
	- in Delegations						
XX 01 05 02 (AC, END, INT - Indirect research)							
10 01 05 02 (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	

¹⁸ AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

¹⁹ Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.4. *Compatibility with the current multiannual financial framework*

- The proposal/initiative is compatible the current multiannual financial framework.
- The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in 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
Specify the co-financing body								
TOTAL appropriations co-financed								

3.3. 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 miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ²⁰					Enter as many years as necessary to show the duration of the impact (see point 1.6)		
		Year N	Year N+1	Year N+2	Year N+3				
Article									

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

Specify the method for calculating the impact on revenue.

²⁰ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.