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## PROPOSAL

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

date of receipt: 7 September 2018

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of  
the European Union

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No. Cion doc.: COM(2018) 614 final

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Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND  
OF THE COUNCIL amending Regulation (EU) No 1303/2013 as regards  
the adjustment of annual pre-financing for the years 2021 to 2023

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Delegations will find attached document COM(2018) 614 final.

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Encl.: COM(2018) 614 final



Brussels, 7.9.2018  
COM(2018) 614 final

2018/0322 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EU) No 1303/2013 as regards the adjustment of annual pre-financing for the years 2021 to 2023**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

#### • **Reasons for and objectives of the proposal**

Evidence shows that annual pre-financing paid to Member States for a given accounting year and cleared with the acceptance of accounts results in annual recovery orders of a significant magnitude (for instance, EUR 6.6 billion in 2017). This means in practice that payment credits are requested from Member States from payment appropriations in the Union's budget to pay to them annual pre-financing that a year later has to be recovered to a significant extent.

Therefore, to increase transparency and contribute to the predictability of budgetary planning and to a more stable and predictable payment profile, it is proposed that for the last three years of the current implementation period 2021-2023, which are overlapping with the next implementation period starting in 2021, the annual pre-financing is reduced to the necessary minimum. This approach also takes account of payment needs stemming from pre-financing arrangements proposed for the 2021-2027 programmes where only initial pre-financing would be paid in six annual tranches<sup>1</sup>. This intention was already signalled by the Commission<sup>2</sup>.

#### • **Consistency with existing policy provisions in the policy area**

The proposal is consistent with the provisions concerning budgetary management of the European Structural and Investment (ESI) Funds as set out in Regulation (EU) No 1303/2013<sup>3</sup>. The amendment does not introduce a structural change of those provisions.

#### • **Consistency with other Union policies**

The proposal is consistent with other proposals and initiatives adopted by the European Commission. It is also consistent with the requirements of sound budgetary management.

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<sup>1</sup> Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument, COM(2018) 375 final, 29.5.2018. Article 84 sets out the pre-financing arrangements. Given that for the period 2021-2027 only one type of pre-financing is proposed the terminology used does not distinguish between "initial" and "annual" pre-financing. The proposed pre-financing arrangements are however similar to those of the "initial pre-financing" of Regulation (EU) No 1303/2013.

<sup>2</sup> Annex to the Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on A Modern Budget for a Union that Protects, Empowers and Defends, COM(2018) 321 final, 2.5.2018 as well as in Section 5 of the Explanatory Memorandum accompanying the Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument, COM(2018) 375 final, 29.5.2018.

<sup>3</sup> 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), as last amended by Regulation (EU) 2017/2305 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the Investment for growth and jobs goal and for the European territorial cooperation goal (OJ L 335, 15.12.2017, p. 1).

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

Regulation (EU) No 1303/2013 defines the common rules applicable to the ESI Funds. Based on the principle of shared management between the Commission and the Member States, this Regulation includes provisions for the programming process as well as arrangements for programme (including financial) management, monitoring, financial control and evaluation of projects.

- **Subsidiarity (for non-exclusive competence)**

The proposal concerns the decrease of annual pre-financing provided by the Commission from the budget of the Union to Member States. The rates of annual pre-financing are established at Union level in Regulation (EU) No 1303/2013. Therefore an amendment of the provisions set out in this regulation requires the amendment of this Regulation. National or regional means are not appropriate to address the problem at hand. Therefore, the proposal complies with the subsidiarity principle.

- **Proportionality**

The proposal is in conformity with the proportionality principle as it does not go beyond the minimum required to achieve the stated objective at Union level and what is necessary for that purpose. The rate of annual pre-financing is decreased to be commensurate with cash-flow requirements taking into account the increased pace of cash-flow on the basis of interim payment applications stemming from the accelerated implementation of the ESI Funds. When establishing the proposed rate, the Commission took into consideration that for the years concerned the basis to which the percentages relate already include the performance reserve, hence a lower share can guarantee the same amount of pre-financing.

- **Choice of the instrument**

Proposed instrument: amendment of the current Regulation. The Commission has explored the scope for manoeuvre provided by the legal framework and considers it necessary to propose amendments to Regulation (EU) No 1303/2013.

## **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Ex-post evaluations/fitness checks of existing legislation**

There was no ex-post evaluation/or fitness checks of the existing legislation.

- **Stakeholder consultations**

There was no consultation of external stakeholders.

- **Collection and use of expertise**

Use of external expertise has not been necessary.

- **Impact assessment**

The proposal is not expected to have significant economic, social or environmental impacts. The proposal will result in decreasing the annual pre-financing from 3% of the amount of the support from the Funds and the European Maritime and Fisheries Fund ('EMFF') for the whole programming period to the operational programme to 1% for the years 2021-2023, more suitable to the cash-flow requirements stemming from programme implementation. This lower pre-

financing takes into account the anticipated accelerated submission of interim payment claims, the fact that for these years the basis for calculating the amount of annual pre-financing is increased by the size of the performance reserve which will be definitely allocated by then as well as pre-financing available for Member States from the 2021-2027 programming period.

Given that annual pre-financing is made available for an accounting year which spans over two annual budgetary years, the excess amount paid in year N as annual pre-financing will be cleared in year N+1, which results in unnecessary payment flows without added value. Reducing the rate of annual pre-financing for the proposed years will contribute to increasing the predictability of budgetary planning, to a more stable and predictable payment profile, to the reduction of the risk of payment backlogs, to increased transparency in payment needs and, therefore, to better budgetary management.

- **Regulatory fitness and simplification**

This is not an initiative within the Regulatory Fitness Programme (REFIT).

- **Fundamental rights**

The proposal has no consequences for the protection of fundamental rights.

#### **4. BUDGETARY IMPLICATIONS**

There is no impact on commitment appropriations since no modification is proposed to the maximum amounts of the ESI Funds financing provided for in the operational programmes for the programming period 2014-2020.

The overall impact on payment appropriations is neutralised. As detailed in the financial statement attached to the proposal, the suggested change will contribute to a reduction in payment appropriations related to the year 2021 entirely due to the reduction of the annual pre-financing amounts which will be compensated by higher payment needs for the year 2024. For the years 2022 and 2023, lower annual pre-financing will be offset in the framework of the examination and acceptance of accounts, therefore the effect is neutral.

#### **5. OTHER ELEMENTS**

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable. The existing delivery systems of the ESI Funds can be used to monitor the implementation of this proposal.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

Article 134(2) will be modified to set the annual pre-financing for the years 2021 to 2023 at 1%, from the currently applicable 3%, of the amount of the support from the Funds and the EMFF for the whole programming period to the operational programme. The annual pre-financing for the year 2020 is maintained at 3% of the amount of the support from the Funds and the EMFF for the whole programming period to the operational programme.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**amending Regulation (EU) No 1303/2013 as regards the adjustment of annual pre-financing for the years 2021 to 2023**

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 177 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 Committee<sup>4</sup>,

Having regard to the opinion of the Committee of the Regions<sup>5</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Regulation (EU) No 1303/2013 of the European Parliament and of the Council<sup>6</sup> lays down the common and general provisions applicable to the European Structural and Investment Funds.
- (2) Evidence suggests that the annual pre-financing is set at a particularly high level in comparison with financial management requirements stemming from the implementation of operational programmes; this is in particular the case for the budgetary years 2021 to 2023.
- (3) In order to ease the pressure on payment appropriations in the Union budget for the budgetary years 2021 to 2023 and to enhance the predictability of payment requirements and thus contribute to more transparent budgetary planning and a more orderly payment profile, the rate of annual pre-financing for those years should be decreased.
- (4) Regulation (EU) No 1303/2013 should therefore be amended accordingly,

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<sup>4</sup> OJ C , , p. .

<sup>5</sup> OJ C , , p. .

<sup>6</sup> 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).

HAVE ADOPTED THIS REGULATION:

*Article 1*

Article 134(2) of Regulation (EU) No 1303/2013 is amended as follows:

(a) The fifth indent is replaced by the following:

"— 2020: 3 %";

(b) The following indent is added:

"— 2021 to 2023: 1 %."

*Article 2*

This Regulation shall enter into force on the twentieth 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 a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards adjusting the level of annual pre-financing for the years 2021 to 2023

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>7</sup>

EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION REGIONAL AND URBAN POLICY

MARITIME AFFAIRS AND FISHERIES

#### 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<sup>8</sup>**

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*

Specific objective No

N/A

ABM/ABB activity(ies) concerned

N/A

<sup>7</sup> ABM: activity-based management; ABB: activity-based budgeting.

<sup>8</sup> 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 2021 to 2024
- Financial impact from 2021 to 2024

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) planned<sup>9</sup>

**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

<sup>9</sup>

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](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	Diff./Non-diff. <sup>10</sup>	from EFTA countries <sup>11</sup>	from candidate countries <sup>12</sup>	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
1B - Economic, Social and Territorial Cohesion	04 02 60 - European Social Fund — Less developed regions	Diff	NO	NO	NO	NO
	04 02 61 - European Social Fund — Transition regions	Diff	NO	NO	NO	NO
	04 02 62 - European Social Fund — More developed regions	Diff	NO	NO	NO	NO
	04 02 64 - Youth Employment Initiative	Diff	NO	NO	NO	NO
	13 03 60 - European Regional Development Fund — Less developed regions	Diff	NO	NO	NO	NO
	13 03 61 - European Regional Development Fund — Transition regions	Diff	NO	NO	NO	NO
	13 03 62 - European Regional Development Fund — More developed regions	Diff	NO	NO	NO	NO
	13 03 63 - European Regional Development Fund — Additional allocation for outermost and sparsely populated regions	Diff	NO	NO	NO	NO
	13 03 64 01 - European Regional	Diff	NO	NO	NO	NO

<sup>10</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>11</sup> EFTA: European Free Trade Association.

<sup>12</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

	Development Fund — European territorial cooperation					
	13 04 60 - Cohesion Fund	Diff	NO	NO	NO	NO
2 - Sustainable Growth: Natural Resources	11 06 60 - Promoting sustainable and competitive fisheries and aquaculture, balanced and inclusive territorial development of fisheries areas and fostering the implementation of the common fisheries policy	Diff	NO	NO	NO	NO

- New budget lines requested : N/A

### 3.2. Estimated impact on expenditure

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework		1B	Economic, Social and Territorial Cohesion				
DG EMPL			Year 2021	Year 2022	Year 2023	Year 2024	TOTAL
• Operational appropriations							
04 02 60	Payments	(1)	-1 013,958	0,000	0,000	1 013,958	0,000
04 02 61	Payments	(2)	-249,832	0,000	0,000	249,832	0,000
04 02 62	Payments	(3)	-504,477	0,000	0,000	504,477	0,000
04 02 64	Payments	(4)	-88,224	0,000	0,000	88,224	0,000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>13</sup>			N/A	N/A	N/A	N/A	N/A
<b>TOTAL appropriations for DG EMPL</b>	Payments		-1 856,491	0,000	0,000	1 856,491	0,000

<sup>13</sup> 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.

DG REGIO		Year 2021	Year 2022	Year 2023	Year 2024	TOTAL
• Operational appropriations						
13 03 60	Payments (1)	-2 608,675	0,000	0,000	2 608,675	0,000
13 03 61	Payments (2)	-509,195	0,000	0,000	509,195	0,000
13 03 62	Payments (3)	-647,801	0,000	0,000	647,801	0,000
13 03 63	Payments (4)	-31,108	0,000	0,000	31,108	0,000
13 03 64 01	Payments (5)	-186,707	0,000	0,000	186,707	0,000
13 04 60	Payments (6)	-1 265,652	0,000	0,000	1 265,652	0,000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>14</sup>		N/A	N/A	N/A	N/A	N/A
<b>TOTAL appropriations for DG REGIO</b>	Payments	-5 249,139	0,000	0,000	5 249,139	0,000

<sup>14</sup> 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.



• TOTAL operational appropriations	Payments		-7 105,630	0,000	0,000	7 105,630	0,000
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes			N/A	N/A	N/A	N/A	N/A
<b>TOTAL appropriations under HEADING 1B</b> of the multiannual financial framework	Payments		<b>-7 105,630</b>	<b>0,000</b>	<b>0,000</b>	<b>7 105,630</b>	<b>0,000</b>

<b>Heading of multiannual financial framework</b>	<b>2</b>	<b>Sustainable Growth: Natural Resources</b>
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<b>DG MARE</b>			Year 2021	Year 2022	Year 2023	Year 2024	<b>TOTAL</b>
• Operational appropriations							
11 06 60	Payments	(1)	-114,987	0,000	0,000	114,987	0,000
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>15</sup>			N/A	N/A	N/A	N/A	N/A
<b>TOTAL appropriations for DG MARE</b>	Payments		<b>-114,987</b>	<b>0,000</b>	<b>0,000</b>	<b>114,987</b>	<b>0,000</b>

<sup>15</sup> 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.

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

• TOTAL operational appropriations	Payments		-7 220,617	0,000	0,000	7 220,617	0,000
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes	administrative nature programmes		N/A	N/A	N/A	N/A	N/A
<b>TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)</b>	Payments		<b>-7 220,617</b>	<b>0,000</b>	<b>0,000</b>	<b>7 220,617</b>	<b>0,000</b>

<b>Heading of multiannual financial framework</b>	<b>5</b>	<b>'Administrative expenditure'</b>
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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						
<b>TOTAL DG</b> <.....>						
	Appropriations					

<b>TOTAL appropriations under HEADING 5</b> of the multiannual financial framework	(Total commitments = Total payments)					
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EUR million (to three decimal places)

	Year N <sup>16</sup>	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
<b>TOTAL appropriations under HEADINGS 1 to 5</b> of the multiannual financial framework	Commitments					
	Payments					

<sup>16</sup> 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 <sup>17</sup>	Average cost	Year						Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL							
			Year N	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6	Year N+7	Year N+8	Year N+9	Cost	Total No	Total cost				
			0	0	0	0	0	0	0	0	0	0	0	0	0				
<b>OUTPUTS</b>																			
<b>SPECIFIC OBJECTIVE No 1<sup>18</sup> ...</b>																			
- Output																			
- Output																			
- Output																			
Subtotal for specific objective No 1																			
<b>SPECIFIC OBJECTIVE No 2 ...</b>																			
- Output																			
Subtotal for specific objective No 2																			
<b>TOTAL COST</b>																			

<sup>17</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).  
<sup>18</sup> 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 <sup>19</sup>	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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<b>HEADING 5 of the multiannual financial framework</b>								
Human resources								
Other administrative expenditure								
<b>Subtotal HEADING 5 of the multiannual financial framework</b>								

<b>Outside HEADING 5<sup>20</sup> of the multiannual financial framework</b>								
Human resources								
Other expenditure of an administrative nature								
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>								

<b>TOTAL</b>								
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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.

<sup>19</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>20</sup> 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)		
<b>• Establishment plan posts (officials and temporary staff)</b>							
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)							
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>21</sup></b>							
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 yy <sup>22</sup>	- 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)							
<b>TOTAL</b>							

**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	

<sup>21</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

<sup>22</sup> 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 <sup>23</sup>					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.

<sup>23</sup> 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.