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

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Delegations will find attached document COM(2021) 365 final.

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

**Technical adjustment of the multiannual financial framework for 2022 in accordance  
with Article 4 of Council Regulation (EU, Euratom) 2020/2093 laying down the  
multiannual financial framework for the years 2021 to 2027**

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

## Technical adjustment of the multiannual financial framework for 2022 in accordance with Article 4 of Council Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027

### 1. INTRODUCTION

Council Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027<sup>1</sup> ('MFF Regulation') contains the EU financial framework table for the period 2021-2027, expressed in 2018 prices (Annex I).

The present communication provides the budgetary authority with the result of the technical adjustment ahead of the budgetary procedure for the year 2022 in accordance with Article 4 of the MFF Regulation. In particular, the technical adjustment establishes the expenditure ceilings at current prices based on the fixed 2% deflator as provided for in Article 4(2) of the MFF Regulation.

On the basis of the latest economic forecasts<sup>2</sup>, the communication also provides a calculation of the margin under the own resources ceiling set in application of the Council Decision on the system of own resources of the European Union in force at the time of the adoption of this communication.

The communication also presents the amounts available under the Single Margin Instrument under Article 11 of the MFF Regulation and the programme specific adjustments as provided in Article 5 of the MFF Regulation.

In accordance with Article 4(1) of the MFF Regulation, the Commission makes the technical adjustment to the financial framework and communicates the results to the budgetary authority each year, ahead of the budgetary procedure for year n+1.

According to Article 4(4) of the MFF Regulation, and without prejudice to articles 6 and 7 of that 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.

### 2. TERMS OF THE ADJUSTMENT OF THE MULTIANNUAL FINANCIAL FRAMEWORK TABLE (ANNEX - TABLES 1-2)

Table 1 in the Annex shows the EU multiannual financial framework in 2018 prices of the MFF Regulation adjusted according to Articles 2(1) and 5 of that Regulation.

Table 2 in the Annex shows the EU multiannual financial framework adjusted in current prices.

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<sup>1</sup> OJ L 433I, 22.12.2020, p. 11

<sup>2</sup> European Commission, European Economic Forecast Spring 2021: [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2021-economic-forecast\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2021-economic-forecast_en)

The financial framework expressed in percentage of the Union’s gross national income (GNI) is updated with the latest economic forecasts. On that basis, the EU GNI for 2022 is established at EUR 14 922 172 million in current prices.

## 2.1. Main results of the technical adjustment of the Multiannual Financial Framework for 2022

The overall MFF ceiling for commitment appropriations for 2022 stands at EUR 167 516 million in current prices, which equals 1,12% of GNI. The overall MFF ceiling for payment appropriations corresponds to EUR 169 209 million in current prices, equivalent to 1,13% of GNI.

On 1 June 2021, Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources (‘ORD 2020’)<sup>3</sup> entered into force. It applies retroactively as of 1 January 2021. The own resources ceiling for payment appropriations is set at 2.00% of the sum of all the Member States’ GNIs. Out of this, 0,60 percentage points are a temporary increase for the sole purpose of covering all liabilities stemming from the European Union Recovery Instrument<sup>4</sup>.

The resulting margin for 2022 between the MFF ceiling for payment appropriations and the own resources ceiling for payment appropriations stands at EUR 129 234 million, or 0,87% of GNI<sup>5</sup>.

The table below provides information for the period 2021-2027 on the margin (in percentage of GNI) between the MFF ceiling for payment appropriations and the own resources ceiling for payment appropriations.

In % of EU GNI	2021 <sup>6</sup>	2022	2023	2024	2025	2026	2027	2021-2027
MFF ceiling for payment appropriations	1,20%	1,13%	1,07%	1,06%	1,05%	1,04%	1,03%	1,08%
Margin beneath the 2,00% GNI own resources ceiling in application of Council Decision (EU, Euratom) 2020/2053	0,00%	0,87%	0,93%	0,94%	0,95%	0,96%	0,97%	0,92% <sup>7</sup>

<sup>3</sup> OJ L 424, 15.12.2020, p. 1.

<sup>4</sup> Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis, OJ L 433I, 22.12.2020, p. 23.

<sup>5</sup> The specific margin under the temporary increase of the own resources ceiling corresponding to 0,60% of the sum of all the Member States’ GNIs will depend on the expenditure authorised for 2022 in relation to liabilities under the European Union Recovery Instrument and the corresponding own resources to finance it.

<sup>6</sup> In accordance with Article 4(4) of the MFF Regulation, the MFF ceiling for payment appropriations and the margin for the year 2021 are not further adjusted following the technical adjustment for 2021 communicated to the European Parliament and the Council on 18.12.2020 (COM(2020)848 final).

<sup>7</sup> This percentage is calculated by subtracting the average of the annual MFF ceilings for payment appropriations for each year of the period 2021-2027 (namely 1,08% of the sum of all the Member States’ GNIs) from the own resources ceiling for payment appropriations of 2.00% of the sum of all the Member States’ GNIs, applicable throughout the whole period 2021 – 2027.

## 2.2. Adjustment of the sub-ceiling for Heading 3

According to Article 2(1) of the MFF Regulation, the sub-ceiling for heading 3 for market related expenditure and direct payments (pillar I of the Common Agricultural Policy - CAP) for the period 2021-2027 shall be adjusted following the transfers between the first and second pillars of the CAP in accordance with the legal act establishing these transfers. The total amount of the ceiling for commitment appropriations for Heading 3 does not change.

The sub-ceiling of Heading 3 is adjusted for the second time<sup>8</sup> in the technical adjustment of the MFF for 2022.

The deadline for submitting transfer notifications by Member States to the Commission was 19 February 2021. The result was set out in a Commission Delegated Regulation C(2021)2486<sup>9</sup>.

The changes in current prices in Heading 3 sub-ceiling are converted into 2018 prices to adjust the multiannual financial framework table which is expressed in 2018 prices. For this purpose, the net balance of transfers is first converted into 2018 prices by using the 2% fixed annual deflator. This result is then rounded up to express the adjusted sub-ceiling in millions of euros. The rounding-up is necessary to ensure that the MFF sub-ceiling is always higher than the net balance available for expenditure in the annual budget for the European Agricultural Guarantee Fund (EAGF)<sup>10</sup>.

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<sup>8</sup> The first adjustment was described in the technical adjustment of the financial framework for 2021 (COM/2020/848 final).

<sup>9</sup> The Commission Delegated Regulation[C(2021)2486] of 15 April 2021 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 is currently undergoing scrutiny by the Parliament and Council and is expected to be published by mid-June 2021.

<sup>10</sup> The resulting small difference does not constitute an available margin, but is exclusively arising from the rounding operation.

The table below shows the net result (in million euro) of the transfers between the two pillars of CAP and their impact for Heading 3 sub-ceiling.

**Sub-ceiling for EAGF (market related expenditures and direct payments) after transfers in current and 2018 prices**

	2021	2022	2023	2024	2025	2026	2027	2021-2027
	<b>- in current prices -</b>							
Initial H3 sub-ceiling	40 925,000	41 257,000	41 518,000	41 649,000	41 782,000	41 913,000	42 047,000	291 091,000
H3 sub-ceiling set in the last technical adjustment (2021)	40 368,000	41 257,000	41 518,000	41 649,000	41 782,000	41 913,000	42 047,000	290 534,000
Net transfer in the technical adjustment for 2021	- 557,046							- 557,046
Net transfer in the current technical adjustment		- 618,811						- 618,811
Total net transfers (P1 to P2) compared to initial sub-ceiling	- 557,046	- 618,811	0,000	0,000	0,000	0,000	0,000	-1 175,857
EAGF net balance after all transfers	40 367,954	40 638,189	41 518,000	41 649,000	41 782,000	41 913,000	42 047,000	289 915,143
<b>H3 sub-ceiling after transfers</b>	<b>40 368,000</b>	<b>40 639,000</b>	<b>41 518,000</b>	<b>41 649,000</b>	<b>41 782,000</b>	<b>41 913,000</b>	<b>42 047,000</b>	<b>289 916,000</b>
<i>Rounding difference</i>	<i>0,046</i>	<i>0,811</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,857</i>
<b>Difference to original sub-ceiling after all transfers</b>	<b>- 557,000</b>	<b>- 618,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>-1 175,000</b>
	<b>- in 2018 prices -</b>							
Initial H3 sub-ceiling	38 564,000	38 115,000	37 604,000	36 983,000	36 373,000	35 772,000	35 183,000	258 594,000
H3 sub-ceiling set in the last technical adjustment (2021)	38 040,000	38 115,000	37 604,000	36 983,000	36 373,000	35 772,000	35 183,000	258 070,000
Net transfer in the technical adjustment for 2021	- 524,375							- 524,375
Net transfer in the current technical adjustment		- 571,595						- 571,595
Total net transfers (P1 to P2) compared to initial sub-ceiling	- 524,375	- 571,595	0,000	0,000	0,000	0,000	0,000	-1 095,970
EAGF net balance after all transfers	38 039,625	37 543,405	37 604,000	36 983,000	36 373,000	35 772,000	35 183,000	257 498,030
<b>H3 sub-ceiling after transfers</b>	<b>38 040,000</b>	<b>37 544,000</b>	<b>37 604,000</b>	<b>36 983,000</b>	<b>36 373,000</b>	<b>35 772,000</b>	<b>35 183,000</b>	<b>257 499,000</b>
<i>Rounding difference</i>	<i>0,375</i>	<i>0,595</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,000</i>	<i>0,970</i>
<b>Difference to original sub-ceiling after all transfers</b>	<b>- 524,000</b>	<b>- 571,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>	<b>-1 095,000</b>

### 2.3. Programme specific adjustments in accordance with Article 5(2) of the MFF Regulation

In accordance with Articles 5(2) and 4(1)(e) of the MFF Regulation, this communication includes the calculation, for the year 2022, of the additional allocations for specific programmes referred to in Annex II of the MFF Regulation and the resulting upwards adjustments of the ceilings for commitment and payment appropriations.

The revenue from fines imposed under Council Regulations (EC) No 1/2003<sup>11</sup> and (EC) No 139/2004<sup>12</sup> entered in the budget of 2020 is EUR 260 million (EUR 240 million in 2018 prices), which is below the minimum threshold of EUR 1 500 million in 2018 prices. Therefore, the minimum threshold provides the total volume of the adjustment for 2022 in 2018 prices.

The adjustment in current prices amounts to EUR 1 624 million after applying the 2% annual deflator and rounding up to million euro in line with how the MFF ceilings are expressed. This amount corresponds to the upward adjustment of the overall ceiling in commitment appropriations and the ceiling in payment appropriations for the year 2022.

<sup>11</sup> Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, [OJ L 1, 4.1.2003, p. 1.](#)

<sup>12</sup> Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation), [OJ L 24, 29.1.2004, p. 1.](#)

The breakdown of the adjustment by MFF heading and programme is based on the column 'Distribution key' of Annex II of the MFF Regulation. The adjustments of the individual ceilings in commitment appropriations are rounded to the nearest million euro<sup>13</sup>.

<b><u>COMMITMENT CEILINGS:</u></b>	Current prices	2018 prices
<b>1. Single Market, Innovation and Digital</b>	<b>590 000 000</b>	<b>545 000 000</b>
Horizon Europe	442 500 000	408 750 000
InvestEU Fund	147 500 000	136 250 000
<b>2b. Resilience and Values</b>	<b>886 000 000</b>	<b>819 000 000</b>
EU4Health	428 301 009	395 912 558
Erasmus+	251 101 008	232 112 557
Creative Europe	88 518 790	81 824 931
Rights and Values	118 079 193	109 149 954
<b>4. Migration and Border Management</b>	<b>148 000 000</b>	<b>136 000 000</b>
Integrated Border Management Fund	148 000 000	136 000 000
<b>Total commitment ceiling:</b>	<b>1 624 000 000</b>	<b>1 500 000 000</b>
<b><u>PAYMENT CEILING:</u></b>	<b>1 624 000 000</b>	<b>1 500 000 000</b>

#### **2.4. Adjustment of the payment ceiling in accordance with article 4(1)(d) and article 11(1)(b) – Single Margin Instrument.**

In accordance with Article 4(1)(d) of the MFF Regulation, the technical adjustment shall include the amount of the adjustment of the ceiling for payment appropriations under the Single Margin Instrument as referred to in point (b) of the first subparagraph of Article 11(1).

In accordance with Article 11(1)(b), this adjustment will be carried out for the first time in 2022 (in the technical adjustment for 2023).

### **3. SPECIAL INSTRUMENTS**

Special instruments are available outside the expenditure ceilings of the 2021-2027 multiannual financial framework. These instruments aim to ensure rapid response to exceptional or unforeseen events, and to provide flexibility beyond the agreed expenditure ceilings within certain limits set in the MFF Regulation.

#### **3.1. Thematic Special Instruments**

##### **3.1.1. European Globalisation Adjustment Fund**

According to Article 8 of the MFF Regulation, the European Globalisation Adjustment Fund can be mobilised up to a maximum of EUR 186 million per year in

<sup>13</sup> The amount for the heading with highest share is established as the difference between the total adjustment and the sum of the amounts for all other headings in order to avoid rounding discrepancies.

2018 prices, or EUR 201,3 million in current prices for 2022<sup>14</sup>. Unused amounts of the previous year cannot be carried over.

The table below shows the details of the annual availability of the European Globalisation Adjustment Fund. Mobilisations will be reported for the full preceding year as of 2022.

<b>European Globalisation Adjustment Fund (EGF)</b>								
<i>EUR million</i>								
	2021	2022	2023	2024	2025	2026	2027	<b>Total</b>
Annual amounts in 2018 prices	186	186	186	186	186	186	186	<b>1 302,0</b>
Annual amounts in current prices	197,4	201,3	205,4	209,5	213,7	217,9	222,3	<b>1467,4</b>

### 3.1.2. Solidarity and Emergency Aid Reserve

According to Article 9 of the MFF Regulation, the Solidarity and Emergency Aid Reserve can be mobilised up to a maximum amount of EUR 1 200 million per year in 2018 prices, or EUR 1 298,9 million at current prices for 2022. The portion of the unused amount of the previous year can be carried over to the following year.

An amount of EUR 47 981 598 of the EU Solidarity Fund, which remained unused at the end of 2020, was carried over from 2020 to 2021.

The table below shows the details of the annual availability of the Solidarity and Emergency Aid Reserve. Mobilisations will be reported for the full preceding year as of 2022.

<b>Solidarity and Emergency Aid Reserve (SEAR)</b>								
<i>EUR million</i>								
	2021	2022	2023	2024	2025	2026	2027	<b>Total</b>
Annual amounts in 2018 prices	1 200	1 200	1 200	1 200	1 200	1 200	1 200	<b>8400,0</b>
Annual amounts in current prices	1 273,4	1 298,9	1324,9	1 351,4	1 378,4	1 406,0	1 434,1	<b>9467,2</b>
Carried-over from the previous year	48,0							

### 3.1.3. Brexit Adjustment Reserve

In accordance with Article 10 of the MFF Regulation, the Brexit Adjustment Reserve can be mobilised subject to and in accordance with the conditions set out in the relevant instrument for a total amount of EUR 5 000 million in 2018 prices over the period 2021-2027. The amount shall be entered in the budget as a provision.

The profile for the annual amounts for the Brexit Adjustment Reserve is to be set out in the relevant basic act. The Commission tabled on 25 December 2020 a proposal for a Regulation establishing the Brexit Adjustment Reserve<sup>15</sup> with the following annual allocation profile of the overall amount in commitment appropriations:

<sup>14</sup> In accordance with the MFF Regulation the conversion is based on the 2% fixed annual deflator. The result in current prices is expressed in millions and is rounded to three decimal digits. This is a horizontal approach applicable to all special instruments.

<sup>15</sup> COM(2020) 854 final of 25.12.2020, 2020/0380(COD)



<b>Brexit Adjustment Reserve</b>						
<i>EUR million</i>						
	2021	2022	2023	2024	2025	<b>Total</b>
Annual amounts in 2018 prices	4 000,0	0,0	0,0	1 000,0	0,0	<b>5 000,0</b>
Annual amounts in current prices	4 244,8	0,0	0,0	1 126,2	0,0	<b>5 371,0</b>

Should the final agreement on the Brexit Adjustment Reserve Regulation include a different annual profile, this information will be updated in the technical adjustment for 2023.

## **3.2. Non-thematic Special Instruments**

### **3.2.1. Single Margin Instrument**

In accordance with Article 4(1)(c) of the MFF Regulation, the technical adjustment shall communicate the amount available in commitment appropriations under the Single Margin Instrument as referred to in point (a) of the first subparagraph of Article 11(1). No amount is yet available in 2021, and the calculation will be carried out for the first time in 2022 (in the technical adjustment for 2023).

The total maximum amount referred to in point (a) of the first subparagraph of Article 11(2) is 0.04% of the EU GNI, that is equivalent to EUR 5 968,9 million in 2022.

The total maximum amount referred to in point (b) of the first subparagraph of Article 11(2) is 0.03% of the EU GNI, that is equivalent to EUR 4 476,7 million in 2022.

### **3.2.2. Flexibility Instrument**

According to Article 12 of the MFF Regulation, the Flexibility Instrument can be mobilised up to a maximum annual amount of EUR 915 million in 2018 prices, or EUR 990,4 million in current prices for 2022. The portion of the unused annual amounts of the previous two years may be carried over.

The table below details the annual availabilities and mobilisation of the Flexibility Instrument in commitment appropriations in the adopted budget 2021<sup>16</sup>. Other mobilisations will be reported for the full preceding year as of 2022.

<b>Flexibility Instrument</b>								
<i>EUR million</i>								
	2021	2022	2023	2024	2025	2026	2027	<b>Total</b>
Annual amounts in 2018 prices	915,0	915,0	915,0	915,0	915,0	915,0	915,0	<b>6 405,0</b>
Annual amounts in current prices	971,0	990,4	1 010,2	1 030,4	1 051,0	1 072,1	1 093,5	<b>7 218,7</b>
Carried-over from the previous year	0,0							
Annual mobilisation	76,4							<b>76,4</b>
Carried-over to the following year								
Lapsed	0,0							<b>0,0</b>

<sup>16</sup>

OJ L 93, 17.3.2021, p. 1.

The payment schedule of the mobilisation of the Flexibility Instrument in the adopted budget 2021 and of outstanding amounts stemming from mobilisations under the 2014-2020 multiannual financial framework is detailed in the following table:

Flexibility Instrument - payment profile								
								<i>EUR million</i>
<i>Mobilisation origin</i>	2021	2022	2023	2024	2025	2026	2027	<b>Total</b>
MFF 2014-2020	583,0	207,1	122,2	0,0	0,0	0,0	0,0	<b>912,3</b>
2021	45,4	13,0	10,3	7,6	0,0	0,0	0,0	<b>76,4</b>
<b>Total</b>	<b>628,5</b>	<b>220,1</b>	<b>132,5</b>	<b>7,6</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>988,7</b>

#### 4. SUMMARY TABLE AND CONCLUSIONS

The tables below summarise the changes to the ceilings for commitment and payment appropriations in the multiannual financial framework based on Articles 2(1) and 5 of the MFF Regulation in current and 2018 prices:

EUR million, current prices	2021	2022	2023	2024	2025	2026	2027	2021-2027
<b>1. Single Market, Innovation and Digital</b>		590						590
<b>2. Cohesion, Resilience and Values</b>		886						886
2a. Economic, social and territorial cohesion								0
2b. Resilience and Values		886						886
<b>3. Natural Resources and Environment</b>		0						0
of which: Market related expenditure and direct payments		-618						-618
<b>4. Migration and Border Management</b>		148						148
<b>5. Security and Defence</b>								0
<b>6. Neighbourhood and the World</b>								0
<b>7. European Public Administration</b>								0
of which: Administrative expenditure of the institutions								0
<b>Total change in commitment appropriations</b>	<b>0</b>	<b>1 624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 624</b>
<b>Total change in payment appropriations</b>	<b>0</b>	<b>1 624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 624</b>

EUR million, 2018 prices	2021	2022	2023	2024	2025	2026	2027	2021-2027
<b>1. Single Market, Innovation and Digital</b>		545						545
<b>2. Cohesion, Resilience and Values</b>		819						819
2a. Economic, social and territorial cohesion								0
2b. Resilience and Values		819						819
<b>3. Natural Resources and Environment</b>		0						0
of which: Market related expenditure and direct payments		-571						-571
<b>4. Migration and Border Management</b>		136						136
<b>5. Security and Defence</b>								0
<b>6. Neighbourhood and the World</b>								0
<b>7. European Public Administration</b>								0
of which: Administrative expenditure of the institutions								0
<b>Total change in commitment appropriations</b>	<b>0</b>	<b>1 500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 500</b>
<b>Total change in payment appropriations</b>	<b>0</b>	<b>1 500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 500</b>