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COUNCIL REGULATION (EU, EURATOM) No 1311/2013

of 2 December 2013

laying down the multiannual financial framework for the years 2014-2020

(OJ L 347, 20.12.2013, p. 884)

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► <u>M1</u>	Council Regulation (EU, Euratom) 2015/623 of 21 April 2015	L 103	1	22.4.2015
► <u>M2</u>	Council Regulation (EU, Euratom) 2017/1123 of 20 June 2017	L 163	1	24.6.2017
► <u>M3</u>	Council Regulation (EU, Euratom) 2020/538 of 17 April 2020	L 119 I	1	17.4.2020

**COUNCIL REGULATION (EU, EURATOM) No 1311/2013****of 2 December 2013****laying down the multiannual financial framework for the years
2014-2020***CHAPTER 1**General provisions**Article 1***Multiannual Financial Framework**

The multiannual financial framework for the period 2014 to 2020 (the "MFF") is set out in the Annex.

*Article 2***Mid-term review/revision of the MFF**

By the end of 2016 at the latest, the Commission shall present a review of the functioning of the MFF taking full account of the economic situation at that time as well as the latest macroeconomic projections. This compulsory review shall, as appropriate, be accompanied by a legislative proposal for the revision of this Regulation in accordance with the procedures set out in the TFEU. Without prejudice to Article 7 of this Regulation, preallocated national envelopes shall not be reduced through such a revision.

*Article 3***Compliance with the ceilings of the MFF**

1. The European Parliament, the Council and the Commission shall, during each budgetary procedure and when implementing the budget for the year concerned, comply with the annual expenditure ceilings set out in the MFF.

The sub-ceiling for Heading 2 as set out in the Annex is established without prejudice to the flexibility between the two pillars of the Common Agricultural Policy (CAP). The adjusted ceiling to be applied to pillar I of the CAP following the transfers between the European Agricultural Fund for Rural Development and direct payments shall be laid down in the relevant legal act and the MFF shall be adjusted accordingly under the technical adjustment provided for in Article 6(1) of this Regulation.



2. The special instruments provided for in Articles 9 to 15 shall ensure the flexibility of the MFF and shall be laid down in order to allow the budget procedure to run smoothly. ►**M3** The commitment appropriations may be entered in the budget over and above the ceilings of the relevant headings laid down in the MFF where it is necessary to use the resources from the Emergency Aid Reserve, the European Union Solidarity Fund, the Flexibility Instrument, the European Globalisation Adjustment Fund, the Contingency Margin, the specific flexibility to tackle youth unemployment and strengthen research and the Global

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Margin for Commitments, in accordance with Council Regulation (EC) No 2012/2002 ⁽¹⁾, Regulation (EU) No 1309/2013 of the European Parliament and of the Council ⁽²⁾, and the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management ⁽³⁾ ◀.

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3. Where a guarantee for a loan covered by the general budget of the Union in accordance with Regulation (EC) No 332/2002 or Regulation (EU) No 407/2010 needs to be mobilised, it shall be over and above the ceilings laid down in the MFF.

*Article 4***Respect of own resources ceiling**

1. For each of the years covered by the MFF, the total appropriations for payments required, after annual adjustment and taking account of any other adjustments and revisions as well as the application of paragraphs 2 and 3 of Article 3, shall not be such as to produce a call-in rate for own resources that exceeds the own resources ceiling set in accordance with Decision 2007/436/EC, Euratom.

2. Where necessary, the ceilings set in the MFF shall be lowered by way of revision in order to ensure compliance with the own-resources ceiling set in accordance with Decision 2007/436/EC, Euratom.

*Article 5***Global margin for payments**

1. Every year, starting in 2015, as part of the technical adjustment referred to in Article 6, 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.

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2. The annual adjustments shall not exceed the following maximum amounts (in 2011 prices) for the years 2018-2020 as compared to the original payment ceiling of the relevant years:

2018 — EUR 7 billion

2019 — EUR 11 billion

2020 — EUR 13 billion.

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3. Any upward adjustment shall be fully offset by a corresponding reduction of the payment ceiling for year n-1.

⁽¹⁾ Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p. 3).

⁽²⁾ Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (OJ L 347, 20.12.2013, p. 855).

⁽³⁾ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

▼B*Article 6***Technical adjustments**

1. Each year the Commission, acting ahead of the budgetary procedure for year n+1, shall make the following technical adjustments to the MFF:

- (a) revaluation, at year n+1 prices, of the ceilings and of the overall figures for appropriations for commitments and appropriations for payments;
- (b) calculation of the margin available under the own-resources ceiling set in accordance with Decision 2007/436/EC, Euratom;
- (c) calculation of the absolute amount of the Contingency Margin provided for in Article 13;
- (d) calculation of the global margin for payments provided for in Article 5;
- (e) calculation of the global margin for commitments provided for in Article 14;

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- (f) calculation of the amounts to be made available to the Flexibility Instrument under the second subparagraph of Article 11(1).

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2. The Commission shall make the technical adjustments referred to in paragraph 1 on the basis of a fixed deflator of 2 % per year.

3. The Commission shall communicate the results of the technical adjustments referred to in paragraph 1 and the underlying economic forecasts to the European Parliament and the Council.

4. Without prejudice to Article 7 and 8, no further technical adjustments shall be made in respect of the year concerned, either during the year or as ex-post corrections during subsequent years.

*Article 7***Adjustment of cohesion policy envelopes**

1. To take account of the particularly difficult situation of Member States suffering from the crisis, the Commission shall in 2016, together with the technical adjustment for the year 2017, review all Member States' total allocations under the "Investment for growth and jobs" goal of cohesion policy for the years 2017 to 2020, applying the allocation method defined in the relevant basic act on the basis of the then available most recent statistics and of the comparison, for the capped Member States, between the cumulated national GDP observed for the years 2014 and 2015 and the cumulated national GDP estimated in 2012. It shall adjust those total allocations whenever there is a cumulative divergence of more than +/- 5 %.

2. The adjustments required shall be spread in equal proportions over the years 2017-2020 and the corresponding ceilings of the MFF shall be modified accordingly. The payment ceilings shall also be modified accordingly to ensure an orderly progression in relation to the appropriations for commitments.

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3. In its technical adjustment for the year 2017, following the mid-term review of the eligibility of Member States for the Cohesion Fund provided for in Article 90(5) of Regulation (EU) No 1303/2013 of the European Parliament and of the Council ⁽¹⁾, in case a Member State either becomes newly eligible to the Cohesion Fund or loses its existing eligibility, the Commission shall add or subtract the resulting amounts to or from the funds allocated to the Member State for the years 2017 to 2020.

4. The required adjustments resulting from paragraph 3 shall be spread in equal proportions over the years 2017-2020 and the corresponding ceilings of the MFF shall be modified accordingly. The payment ceilings shall also be modified accordingly to ensure an orderly progression in relation to the appropriations for commitments.

5. The total net effect, whether positive or negative, of the adjustments referred to in paragraphs 1 and 3 shall not exceed EUR 4 billion.

*Article 8***Adjustments related to measures linking effectiveness of funds to sound economic governance**

In the case of the lifting by the Commission of a suspension of budgetary commitments concerning the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development or the European Maritime and Fisheries Fund in the context of measures linking effectiveness of funds to sound economic governance, the Commission, in accordance with the relevant basic act, shall transfer the suspended commitments to the following years. Suspended commitments of year *n* may not be re-budgeted beyond year *n*+3.

*CHAPTER 2**Special instruments**Article 9***Emergency Aid Reserve**

1. The Emergency Aid Reserve is intended to allow for a rapid response to specific aid requirements of third countries following events which could not be foreseen when the budget was established, first and foremost for humanitarian operations, but also for civil crisis management and protection, and situations of particular pressure resulting from migratory flows at the Union's external borders where circumstances so require.

⁽¹⁾ 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (See page 320 of this Official Journal.).

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2. The annual amount of the Reserve is fixed at EUR 300 million (2011 prices) and may be used up to year $n + 1$ in accordance with the Financial Regulation. The Reserve shall be entered in the general budget of the Union as a provision. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year $n + 1$ shall lapse.

▼B*Article 10***European Union Solidarity Fund**

1. The European Union Solidarity Fund is intended to allow financial assistance in the event of major disasters occurring on the territory of a Member State or of a candidate country, as defined in the relevant basic act. There shall be a ceiling on the annual amount available for that Fund of EUR 500 million (2011 prices). On 1 October each year, at least one quarter of the annual amount shall remain available in order to cover needs arising until the end of that year. The portion of the annual amount not entered in the budget may be used up to year $n+1$. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year $n+1$ shall lapse.

2. In exceptional cases and if the remaining financial resources available in the European Union Solidarity Fund in the year of occurrence of the disaster, as defined in the relevant basic act, are not sufficient to cover the amount of assistance considered necessary by the European Parliament and the Council, the Commission may propose that the difference be financed through the annual amounts available for the following year.

▼M2*Article 11***Flexibility Instrument**

1. The Flexibility Instrument is intended to allow the financing, for a given financial year, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings. Subject to the second subparagraph, there shall be a ceiling on the annual amount available for the Flexibility Instrument of EUR 600 million (2011 prices).

Each year, starting in 2017, the annual amount available for the Flexibility Instrument shall be increased by:

- (a) an amount equivalent to the portion of the annual amount for the European Union Solidarity Fund which has lapsed in the previous year in accordance with Article 10(1);
- (b) an amount equivalent to the portion of the annual amount for the European Globalisation Adjustment Fund which has lapsed in the previous year.

Amounts made available to the Flexibility Instrument in accordance with the second subparagraph shall be used in accordance with the conditions set out in this Article.

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2. The unused portion of the annual amount of the Flexibility Instrument may be used up to year $n + 3$. The portion of the annual amount stemming from previous years shall be used first, in order of age. That portion of the annual amount from year n which is not used in year $n + 3$ shall lapse.

▼ B*Article 12***European Globalisation Adjustment Fund**

1. The European Globalisation Adjustment Fund, the objectives and scope of which are defined in Regulation (EC) No 1927/2006 of the European Parliament and of the Council, shall not exceed a maximum annual amount of EUR 150 million (2011 prices).

2. The appropriations for the European Globalisation Adjustment Fund shall be entered in the general budget of the Union as a provision.

*Article 13***Contingency Margin**

1. A Contingency Margin of up to 0,03 % of the Gross National Income of the Union shall be constituted outside the ceilings of the MFF, as a last-resort instrument to react to unforeseen circumstances. It may be mobilised only in relation to an amending or annual budget.

2. Recourse to the Contingency Margin shall not exceed, at any given year, the maximum amount foreseen in the annual technical adjustment of the MFF, and shall be consistent with the own-resources ceiling.

3. Amounts made available through the mobilisation of the Contingency Margin shall be fully offset against the margins in one or more MFF headings for the current or future financial years.

4. The amounts thus offset shall not be further mobilised in the context of the MFF. Recourse to the Contingency Margin shall not result in exceeding the total ceilings of commitment and payment appropriations laid down in the MFF for the current and future financial years.

▼ M2*Article 14***▼ M3****Global Margin for Commitment**

1. 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.

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2. Each year, as part of the technical adjustment provided for in Article 6, the Commission shall calculate the amount available. The Global MFF Margin or part thereof may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure pursuant to Article 314 TFEU.

▼B*Article 15***Specific flexibility to tackle youth unemployment and strengthen research**

Up to EUR 2 543 million (in 2011 prices) may be frontloaded in 2014 and 2015, as part of the annual budgetary procedure, for specified policy objectives relating to youth employment, research, ERASMUS in particular for apprenticeships, and Small and Medium-sized Enterprises. That amount shall be fully offset against appropriations within and/or between headings in order to leave unchanged the total annual ceilings for the period 2014-2020 and the total allocation per heading or sub-heading over the period.

*Article 16***Contribution to the financing of large-scale projects**

1. A maximum amount of EUR 6 300 million (in 2011 prices) shall be available for the European satellite navigation programmes (EGNOS and Galileo) from the general budget of the Union for the period 2014-2020.

2. A maximum amount of EUR 2 707 million (in 2011 prices) shall be available for the International Thermonuclear Experimental Reactor project (ITER) from the general budget of the Union for the period 2014-2020.

3. A maximum amount of EUR 3 786 million (in 2011 prices) shall be available for Copernicus (the European Earth Observation Programme) from the general budget of the Union for the period 2014-2020.

*CHAPTER 3****Revision****Article 17***Revision of the MFF**

1. Without prejudice to Article 4(2), Articles 18 to 22 and Article 25, in the event of unforeseen circumstances, the MFF may be revised in compliance with the own-resources ceiling set in accordance with Decision 2007/436/EC, Euratom.

2. As a general rule, any proposal for a revision of the MFF in accordance with paragraph 1 shall be presented and adopted before the start of the budgetary procedure for the year or the first of the years concerned.

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3. Any proposal for revision of the MFF in accordance with paragraph 1 shall examine the scope for reallocating expenditure between the programmes covered by the heading concerned by the revision, with particular reference to any expected under-utilisation of appropriations. The objective should be that a significant amount, in absolute terms and as a percentage of the new expenditure planned, shall be within the existing ceiling for the heading.

4. Any revision of the MFF in accordance with paragraph 1 shall take into account the scope for offsetting any raising of the ceiling for one heading by the lowering of the ceiling for another.

5. Any revision of the MFF in accordance with paragraph 1 shall maintain an appropriate relationship between commitments and payments.

*Article 18***Revision related to implementation**

When notifying the European Parliament and the Council of the results of the technical adjustments to the MFF, the Commission shall present any proposals to revise the total appropriations for payments which it considers necessary, in the light of implementation, to ensure a sound management of the yearly payments ceilings and, in particular, their orderly progression in relation to the appropriations for commitments. The European Parliament and the Council shall decide on those proposals before 1 May of year n.

*Article 19***Revision following new rules or programmes for the Structural Funds, the Cohesion Fund the European Agricultural Fund for Rural Development, the European Maritime and Fisheries Fund, the Asylum and Migration Fund and the Internal Security Fund**

1. In the event of the adoption after 1 January 2014 of new rules or programmes under shared management for the Structural Funds, the Cohesion Fund, the European Agricultural Fund for Rural Development, the European Maritime and Fisheries Fund, the Asylum and Migration Fund and the Internal Security Fund, the MFF shall be revised in order to transfer to subsequent years, in excess of the corresponding expenditure ceilings, allocations not used in 2014.

2. The revision concerning the transfer of unused allocation for the year 2014 shall be adopted before 1 May 2015.

*Article 20***Revision of the MFF in case of a revision of the Treaties**

Should a revision of the Treaties with budgetary implications occur between 2014 and 2020, the MFF shall be revised accordingly.

*Article 21***Revision of the MFF in the event of enlargement of the Union**

If there is an accession or accessions to the Union between 2014 and 2020, the MFF shall be revised to take account of the expenditure requirements resulting therefrom.

*Article 22***Revision of the MFF in the event of the reunification of Cyprus**

In the event of of the reunification of Cyprus between 2014 and 2020, the MFF shall be revised to take account of the comprehensive settlement of the Cyprus problem and the additional financial needs resulting from the reunification.

*Article 23***Interinstitutional cooperation in the budgetary procedure**

The European Parliament, the Council and the Commission (hereinafter "the institutions") shall take measures to facilitate the annual budgetary procedure.

The institutions shall cooperate in good faith throughout the procedure with a view to reconciling their positions. The institutions shall, at all stages of the procedure, cooperate through appropriate interinstitutional contacts in order to monitor the progress of the work and analyse the degree of convergence.

The institutions shall ensure that their respective calendars of work are coordinated as far as possible, in order to enable proceedings to be conducted in a coherent and convergent fashion, leading to the final adoption of the general budget of the Union.

Trilogues may be held at all stages of the procedure and at different levels of representation, depending on the nature of the expected discussions. Each institution, in accordance with its own rules of procedure, shall designate its participants for each meeting, define its mandate for the negotiations and inform the other institutions in good time of the arrangements for the meetings.

*Article 24***Unity of the budget**

All expenditure and revenue of the Union and Euratom shall be included in the general budget of the Union in accordance with Article 7 of the Financial Regulation, including expenditure resulting from any relevant decision taken unanimously by the Council after consulting the European Parliament, in the framework of Article 332 TFEU.

*Article 25***Transition towards the next multiannual financial framework**

Before 1 January 2018, the Commission shall present a proposal for a new multiannual financial framework.

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If no Council regulation determining a new multiannual financial framework has been adopted before 31 December 2020, the ceilings and other provisions corresponding to the last year of the MFF shall be extended until a regulation determining a new financial framework is adopted. If a new Member State accedes to the Union after 2020, the extended financial framework shall, if necessary, be revised in order to take the accession into account.

*Article 26***Entry into force**

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

ANNEX

MULTIANNUAL FINANCIAL FRAMEWORK (EU-28)

(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	64 277	65 528	67 214	69 004	450 554
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	46 584	47 038	47 514	47 925	324 940
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	40 938	40 418	39 834	39 076	38 332	37 602	277 454
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	137 196	137 866	139 078	140 242	959 512
as a percentage of GNI	0,88 %	1,13 %	1,03 %	1,00 %	0,99 %	0,98 %	0,98 %	1,00 %
TOTAL PAYMENT APPROPRIATIONS	128 030	131 095	131 046	126 777	129 778	130 893	130 781	908 400
as a percentage of GNI	0,98 %	0,98 %	0,97 %	0,92 %	0,93 %	0,93 %	0,91 %	0,95 %
Margin available	0,25 %	0,25 %	0,26 %	0,31 %	0,30 %	0,30 %	0,32 %	0,28 %
Own Resources Ceiling as a percentage of GNI	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %