

ROADMAP			
TITLE OF THE INITIATIVE	COMMISSION COMMUNICATION AND PROPOSAL FOR A COUNCIL REGULATION ON THE MID-TERM REVIEW OF THE MFF 2014-2020		
LEAD DG – RESPONSIBLE UNIT – AP NUMBER	SG - JULIEN GUERRIER, HOU SG B1	DATE OF ROADMAP	12/2015
	CO-LEAD DG: BUDG - STEPHANIE RISO, HOU BUDG B1		
LIKELY TYPE OF INITIATIVE	Communication and, as appropriate, proposal for revision of Regulation		
This indicative roadmap is provided for information purposes only and can be subject to change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.			

A. Context, Subsidiarity Check and Objectives

Context

- The 'Mid-term review/revision of the MFF' was part of the political agreement on the MFF 2014-2020 and is provided for in Art.2 of Council Regulation No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884). The review is an opportunity to continue reforms and implement political priorities agreed for the MFF 2014-2020, to stimulate growth and economic recovery in the EU, as well as addressing the internal and external challenges the EU is facing today. This review will also look for ways to orient the EU Budget more towards results.
- Art 2 of the MFF regulation provides that: "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, pre-allocated national envelopes shall not be reduced through such a revision." The MFF review will be an important staging post on the road to the Commission's proposal for the next Multiannual Financial Framework, which "the Commission shall present before 1 January 2018".
- By mid-2016, a number of relevant inputs should be available such as the first evaluation of the Youth Employment Initiative (YEI), the first recommendations from the High-level Group on simplification of the European Structural and Investment Funds and the first outputs of the wider "Budget Focused on Results" strategy. The adjustment of the cohesion policy envelopes for 2017-2020 in line with Art.7 of the MFF Regulation will be presented together with the technical adjustment for the year 2017. In the budgetary realm, the sufficiency of the payment ceilings in view of the backlog of payments in 2013 and 2014 has been the subject of intense interinstitutional debate. The Commission provided detailed analyses which were examined in the competent committees and trilogue meetings.

Issue

- The mid-term review/revision is an opportunity to assess the functioning of the MFF, both quantitatively and qualitatively. The quantitative assessment has to address the issue of new internal and external priorities as well as the sufficiency of the payment ceiling. The qualitative assessment should refer to a number of elements which may increase the impact of the EU budget, eg. the functioning of new financial instruments, simplification measures or flexibility embodied in the MFF structure. (The Network of Commissioners "the EU Budget Focused on Results" should provide important input in this respect.)
- In its Declaration on the mid-term review/revision attached to the MFF package the Commission confirmed its intention to submit legislative proposals for a revision of the MFF Regulation. In this context, it will pay particular attention to
 - the functioning of the global margin for payments in order to ensure that the overall payments ceiling remains available throughout the period;
 - the evolution of the global margin for commitments;
 - the particular requirements of the Horizon 2020 programme and
 - the Commission will also examine aligning its proposals for the next MFF with the political cycles of

the Institutions.

- The 2016 mid-term review 'should be an occasion for us to address systemic shortcomings of the EU budget'.

Subsidiarity check

- The EU acts on the basis of Art 312 TFEU following which the Council adopts a regulation laying down the multiannual financial framework, according to a special legislative procedure. The Council acts unanimously after obtaining the consent of the European Parliament, which shall be given by a majority of its component members.

Main policy objectives

- The review will have to assess the functioning of the MFF taking full account of the economic situation and pay particular attention to the sufficiency of payment ceilings as well as to the functioning of the special (flexibility) instruments and the implications of their use on payments. It will also have to analyse other elements, such as the use of all margins and flexibilities available within the current global ceilings of the MFF, or the revision of specific ceilings of the MFF to shift margins for new internal and external priorities, such as migration.
- The review will be an opportunity to orient the EU budget further towards jobs, growth and competitiveness and should it be necessary, to respond to new challenges that the Union will be facing. With jobs, growth and competitiveness being the EU's prime objective, the review will need to identify margins for manoeuvre for possible new initiatives.
- More can be done to facilitate the use of innovative financial instruments and there is scope for simplification (in particular in agriculture, research, and the structural funds), performance-enhancement and measures linking effectiveness of funds to sound economic governance.

B. Option Mapping

The review of the MFF will determine whether changes to the MFF 2014-2020 are necessary or not. If changes are necessary, the different policy options and their benefits and costs are still to be determined.

Proportionality check

- As indicated above, both principles of subsidiarity and proportionality are respected on the basis of Art 312 of TFEU.

C. Data collection and Better Regulation instruments

Data collection

- By mid-2016, a number of relevant inputs should be available such as the first evaluation of the Youth Employment Initiative (YEI), the first recommendations from the High-level Group on simplification of the European Structural and Investment Funds and the first outputs of the wider "Budget Focused on Results" strategy. The adjustment of the cohesion policy envelopes for 2017-2020 in line with Art.7 of the MFF Regulation will be presented together with the technical adjustment for the year 2017 and will therefore also be available information.
- Information is to be gathered on the different elements which are part of the MTR exercise.

Consultation approach

- Consultation with the most relevant Commission DGs have started since May 2015
- Not foreseen to consult external stakeholders at this stage

Will an Implementation plan be established?

Yes No

Will an impact assessment be carried out for this initiative and/or possible follow-up initiatives?

- No IA will be carried out for the MFF review. The budget is spent within programmes that are themselves subject to impact assessment.