

Non-paper of Commission services

In the SAWP meeting of 16/10/14 the Commission was requested to provide a paper setting out the treatment of 2014 commitments of programmes co-financed by the ESI Funds which are not adopted by the Commission by the 31 December 2014.

Two cases need to be distinguished:

1) Programmes ready for adoption at 31 December 2014

Programmes which are "ready for adoption" at the end of 2014, but cannot be adopted due to lack of time, can benefit from the "carry-over" procedure under Article 13(2)(a) of the Financial Regulation as regards the 2014 commitment.

In this context "ready for adoption" means that the preparatory stages have been completed and no further actions are required before launching the procedure for the Commission decision to adopt the programme. In such cases, the carry-over procedure allows for the 2014 commitment to be carried over to 2015 provided that 2014 amounts are committed up to 31 March 2015.

The financial table does not need to be modified in such cases – the programme still has a separate 2014 and 2015 tranche. However, for the purpose of the n+3 rule the programme will have no 2017 target, but will have a double 2018 target, which is the third financial year following the year of the budgetary commitment (Art. 136 of the CPR).

In order to enable the Commission to complete the preparatory stages necessary to meet the "ready for adoption" criterion by the end of the year, Member States should submit the final version of a programme, taking into account all observations made by the Commission by 17 November 2014 at the latest.

2) Programmes not ready for adoption at 31 December 2014

Where a programme is not ready for adoption at the end of 2014, the 2014 commitment can only be preserved by application of Article 19 of the MFF Regulation. This allows the MFF to be revised (after proposal from the Commission, agreement of Council and consent of EP) in order to re-budget the unused 2014 allocation for ESI Funds.

The intention of the Commission is to re-budget in 2015 the uncommitted amounts from 2014 subject to the assessment of the compatibility with the ceiling on commitments, expressed as a percentage of the GNI, set by the own resources decision¹. The Commission will examine the distribution of commitments over the remaining years in the light of the volumes concerned, need to respect the ceiling and consideration of equal treatment between Member States.

¹ Decision 2007/436/EC, Euratom

Therefore, unlike the carry-over cases above, the programme will not have a 2014 tranche, but the re-budgeted amounts will, as a general rule, be added to the 2015 tranche of commitments.

By early February 2015, the intention of the Commission is to make a proposal to the Council. The MFF Regulation requires the revision to be adopted by unanimity by the Council before 1 May 2015 after obtaining the consent of the European Parliament. The Commission is expected to submit a Draft Amending Budget for the 2015 Budget to be approved by the budgetary authority which will include the 2014 unused commitment appropriations in the 2015 budget. After the revision of the MFF Regulation and the adoption of the amending budget for 2015 the programmes in question, with revised financial tables including the 2014 uncommitted amounts, can be adopted.

At programme adoption, the new (increased) 2015 commitment will be made, and will have an end-2018 target for n+3 purposes.

In conclusion, the delays in the process of programme adoption can be minimised. For the programmes in the “ready for adoption” group, the delay from 1 January should be less than 7 weeks. For the programmes not ready to adopt at the end of 2014, and for which the 2014 has to be re-budgeted, from the date when those programmes have advanced to the point where they are ready for adoption, the delay should normally also be only a few weeks.