Multiannual financial framework for the years 2014-2020

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The Commission presented the **final simplification scoreboard for the MFF 2014-2020**.

To recall, the Multiannual Financial Framework (MFF), adopted by the Council on 2 December 2013 with the consent of the European Parliament, provides for EU spending over the period 2014-2020 in the six identified categories of expenditure (headings) that correspond to broad policy areas:

1. competitiveness for growth and jobs,
2. economic social and territorial cohesion,
3. sustainable growth: natural resources,
4. security and citizenship,
5. global Europe,
6. administration and compensation.

Overall, over the next seven years, the EU will commit to invest up to **EUR 960 billion** and, in the same period, EUR 908.4 billion actual payments will be authorised. In comparative terms, this amount represents less than **1% of the Gross National Income (GNI)** of the whole European Union.

Nonetheless, these financial means will provide substantial EU added value in terms of investments and the achievement of the objectives of the Europe 2020 strategy on growth and jobs. In the new financial period, the European Union will ensure delivery of results through **better spending**, notably through result-oriented financial support, simplification, reduction of errors and increase of efficiency – aspects to which close attention was paid in the preparation and negotiation of the MFF.

Bearing this in mind, the European Commission launched a dedicated MFF Simplification Scoreboard – a process through which **all simplification and rationalisation measures** in all proposals for programmes under the MFF were carefully identified and guided through the legislative process.

The scoreboard lists in a detailed manner the ways in which this simplification was carried out in the framework of the 2014-2020 package. One notes in particular:

- streamlining of programmes with the reduction of the number of programmes (reduction of the number of funding programmes by 22, through the creation of integrated programmes per policy area);
- alignment of provisions in funding programmes with the Financial Regulation;
- establish synergies across different programmes, for example in the area of environmentally sustainable growth;
- simpler rules and more accessible funding for lower error rates and better delivery, the creation of performance indicators, the introduction of **single funding models** (single reimbursement rate has been introduced in Horizon 2020, as well as a mandatory flat rate for indirect costs), eligibility of VAT costs and the phasing out of **national allocations** in the programme for environment and climate action;
- application of an e-Government method in most cases.

The detailed breakdown of the budget fixes the allocation of the budget of the relevant programmes for the next seven years. It limits the ability of the Commission to re-orient EU financing support, following unforeseen economic, social and policy developments. Ex-ante control by Member States over the allocation of the budget by the Commission has been strengthened which will result in less flexibility in implementation of funding programmes by the Commission.

Next steps: several proposals have been made to address the identified shortcomings:

- **at the level of EU institutions**: they should adopt acts complementing the basic legislative texts, where so provided, and measures of implementation in a rapid and efficient way, with a view to starting the concrete allocation of funds as soon as possible;

- **at Member States' level**: they should avoid unnecessary administrative burdens for potential beneficiaries of EU financial support and concentrate the use of funds on agreed EU priorities and objectives;

- **at Commission and Member States**: ambitious programmes, setting concrete and measurable targets, to increase the visibility of results and demonstrate the added value of financial support by the EU, should be rapidly prepared. This coordination is necessary to improve access to funds for beneficiaries and engender a multiplier effect from Union spending, by attracting additional resources from private investors. The Commission and the Member States also have a common responsibility for the correct application of the preventive and corrective measures through the potential interruption and suspension of payments and financial corrections.