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Committee on Budgets
The Secretariat

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Note to the MFF/OR negotiating team

Decoding the Finnish presidency numbers: a preliminary analysis of the MFF negotiating box

On 2 December 2019, the Finnish presidency of the Council has presented a **negotiating box including, for the first time, tentative figures** for Council's further talks on the Multiannual Financial Framework 2021-2027. Under this proposal, the next MFF would amount to EUR 1 087 billion in 2018 prices (1,07% of the EU's GNI) in commitment appropriations for seven years. The negotiating box also puts forward figures for each MFF heading, and for a certain number of programmes.

The EP negotiating team has immediately [reacted](#) by pointing to a Finnish presidency proposal well **below Parliament's and citizens' expectations**, judging it insufficient to meet the commitments taken by the Union and to implement the programme of the new Commission. The MEPs also regretted a **limited attention to the reform of the own resources' system**, that Parliament links with its agreement on the MFF: the Finnish presidency proposal indeed postpones the discussion on several promising new own resource candidates while keeping open options that would result in increasing the predominance of the GNI-based own resource. Finally, MEPs recalled that Parliament is a full co-legislator on sectoral elements and on the rule of law mechanism, which are dealt with in the negotiating box.

In the attached Annexes I and II, this note presents the **figures from the Finnish presidency's negotiating box** at overall, ceiling and programme/instrument levels.

It also provides a **simulation/estimate of the 'unspecified numbers'**, i.e. those programmes whose individual amount is not stipulated in the negotiating box (shown against an orange background in Annex I). **The estimates are presented without prejudice to future proposals and positions to be taken by the Council and negotiated with the European Parliament. In this simulation exercise, proportional cuts in all the programmes (that may not entirely reflect the priorities of the Council and its Presidency) are assumed based on average cuts from the Commission proposal calculated at heading level, taking into account the ceilings and envelopes that are already known.** Uneven cuts may be proposed in the future, depending on political priorities.

Last but not least, this note **compares** the Finnish presidency numbers with (a) the Commission proposal, (b) Parliament's position and (c) the present MFF 2014-2020. See the methodological note in Annex III.

The main findings are summarised below. They intend to be descriptive, not to provide an assessment.

Overall level

While in relation to the EU's GNI the Commission proposal (1,11%) was already a reduction from the present MFF 2014-2020 (1,16% after deducting the UK), the Finnish presidency proposal (1,07%) is a further half-way step towards the position of the Member States currently benefitting from a rebate (AT, DE, DK, NL, SE) which keep advocating a level of 1% (to which 0,03% from the European Development Fund should be added if effectively budgetised). The absolute level of the Union budget would remain the same from 2014-2020 to 2021-2027 (around EUR 1 080 billion in 2018 prices) despite additional responsibilities and seven years of economic growth.

Cuts to cohesion and agriculture

Compared to the 2014-2020 period, the Commission proposal for 2021-2027 was already significantly cutting cohesion and agriculture by -10% and -15% respectively. The Finnish presidency is cutting cohesion further by -2% (concentrated on the ERDF and the ESF+), therefore representing a total cut of -12% vs. 2014-2020. EP voted to maintain cohesion funding and increase the ESF+ for youth employment and a child guarantee - on this latter fund in particular, there is therefore a -17% difference between Parliament and the Finnish presidency figure.

The Finnish presidency reduces the extent of the cut to agriculture to -13% vs. 2014-2020 by reinstating EUR 10 billion under pillar II - rural development. Within agriculture, rural development remains particularly affected by the overall cut, namely -17% vs. 2014-2020. The EP voted to maintain agriculture funding as a whole.

Programmes relatively untouched compared to Commission proposal - but often below the EP position

For **Horizon Europe**, the Finnish presidency takes over (and even slightly increases by 0,6%) the financial envelope proposed by the Commission.¹ It remains however EUR 36 billion below the EP position of EUR 120 billion (-30%).

Based on the average evolution of heading III programmes besides agriculture, the **European Maritime and Fisheries Fund** and the **LIFE** programme would remain roughly at Commission levels, but respectively EUR 1,4 billion and EUR 1,6 billion below EP levels.

The Finnish presidency explicitly takes over Commission figures on the **Asylum and Migration Fund** and on **Humanitarian aid** (amounts that were also approved by the EP) as well as on **nuclear decommissioning** (EUR 300 million difference with the EP).

¹ This slight increase can be observed when comparing the actual financial envelopes proposed by the Commission and by the Finnish presidency (in 2018 Prices), without counting the formerly Horizon 2020 financial instruments which would now fall under the InvestEU envelope. The negotiating box reads: "The financial envelope for the implementation of the Horizon Europe Programme for the period 2021-2027 will be EUR [84 013] million".

Programmes significantly cut

Figures explicitly mentioned in the negotiating box

In the negotiating box, the Finnish presidency explicitly cuts down envelopes proposed by the Commission on a number of programmes.

A critical one for the EP might be the cut on the **Connecting Europe Facility** (-15% vs. COM), which would leave the transport strand untouched but would reduce the energy and digital strands by more than -30% each. Given that the EP intends to reinforce CEF (via its Transport strand), the Finnish presidency is below the EP by -35% overall.

The presidency also cuts down the **Space** programme by -10% (-15% vs. EP), the **neighbourhood and development** instrument by -5% (-9% vs. EP), CFSP/Overseas Countries and Territories by -9%, as well as the **pre-accession** instrument by -12% (-13% vs. EP).

Several instances of amounts proposed by the Commission in areas of new/growing Union responsibility were approved by the Parliament as such, but would be dramatically reduced by the Finnish presidency, namely **defence** fund and military mobility (cut by half), **border management** fund and agencies (cut by one third), the **internal security fund** (-23%) as well as the proposed Reform Support Programme, rebranded as the **Budgetary Instrument for Convergence and Competitiveness** and the Convergence and Reform Instrument (-13,5%). **ITER** is also reduced by -7,5%.

Finally, the Finnish presidency is seeking a 2 billion EUR cut to **Administration** (-2,6%).

Unspecified numbers (not explicitly broken down per programme in the negotiating box)

Assuming a proportional cut within their respective headings, several programmes would be reduced by an estimated magnitude ranging from -11% to almost -24% in relation to the Commission proposal - and much more compared to the EP. It would also put many of them on a clear downward trend compared to the present MFF 2014-2020.

Heading I programmes would be cut by an **average of almost -24%** vs. the Commission proposal, including high priority programmes that in some cases the EP intends to reinforce: the **Single Market Programme** (estimated at -52% vs. EP), **InvestEU**, as well as **Digital Europe** and other smaller programmes.

Heading II programmes would be cut by an **average of almost -20%** vs. the Commission proposal. This concerns in particular **Erasmus+** that the EP seeks to triple with the support of the new European Commission (there would be an estimated -48% gap between the Finnish presidency and the EP). For **Creative Europe** and **Justice, Rights and Values**, the estimates would amount to less than half of what the EP expects.

Climate target

While the Commission proposed agreeing on an overall target of 25% of EU budget expenditure contributing to climate objectives, the Finnish presidency proposes an overall target of “**at least**” **25%**. In its interim report of 14 November 2018, the EP called for an overall target of at least 25%, coupled with reaching an annual target of 30% as soon as possible; in its resolution of 10 October 2019, the EP even called for going beyond those levels.

While the addition of “at least”² appears more ambitious than the Commission, actual climate investment under the Finnish presidency proposal could be **almost EUR 12 billion lower** because of the smaller size of the MFF³. Indicatively, the threshold of 25% would indeed translate into EUR 283,6 billion with an overall MFF as proposed by the Commission, against EUR 271,8 billion with the overall size proposed by the Finnish presidency. With the MFF level proposed by Parliament, the threshold of 25% would correspond to EUR 331 billion (EUR 59 billion more than the Finnish presidency proposal, notwithstanding more ambitious targets).

Missing elements

While the Finnish presidency’s negotiating box does not provide for specific funding for initiatives put forward by the European Parliament and/or announced by the new Commission President upon her election, such as the Just Transition Fund, the Child Guarantee, the European Green Deal, inter alia. In Parliament’s view, future Commission proposals in this respect should be on top of current overall MFF level, and not imply further reductions elsewhere.

Annexes:

- Annex I: Breakdown per programme
- Annex II: MFF overview
- Annex III: Methodological note

² Already used in the European Council conclusions of 7/8 February 2013 with reference to the 20% target.

³ Notwithstanding the actual targets that will be set out in the basic acts of the programmes, and the relative weight of those programmes.

Annex I - Finnish presidency numbers: breakdown per programme

	MFF 2014-2020 (EU27+EDF) 1,16% EU-GNI	COM MFF proposal 2021-2027 (EU27+EDF) 1,11% EU-GNI	EP position 2021-2027 (EU27+EDF) 1,3% EU-GNI	FI presidency 5/12 proposal 2021-2027 (simulation figures in orange) 1,07% EU-GNI	Comparison FI proposal vs. COM		Comparison FI proposal vs. EP		Comparison FI proposal vs. MFF 2014-2020 (EU27+EDF)	
EUR million 2018 prices										
I. Single Market, Innovation and Digital	116.361	166.303	216.010	151.790	- 14 513	- 8,7%	- 64 220	- 29,7%	+ 35 429	+ 30,4%
1. Research and Innovation	69.787	91.028	127.537	90.641	- 387	- 0,4%	- 36 896	- 28,9%	+ 20 854	+ 29,9%
Horizon Europe	64.674	83.491	120.000	84.013	+ 522	+ 0,6%	- 35 987	- 30,0%	+ 19 339	+ 29,9%
Reminder: amount previously under Horizon 2020 now moved under InvestEU	2.390	3.105	3.105							
Euratom Research and Training Programme	2.119	2.129	2.129	1.626	- 503	- 23,6%	- 503	- 23,6%	- 493	- 23,3%
International Theronuclear Experimental Reactor (ITER)	2.992	5.406	5.406	5.000	- 406	- 7,5%	- 406	- 7,5%	+ 2 008	+ 67,1%
Other	2	2	2	2	- 0	- 11,8%	- 0	- 11,8%	+ 0	+ 30,6%
2. European Strategic Investments	31.886	44.375	51.798	35.693	- 8 682	- 19,6%	- 16 105	- 31,1%	+ 3 807	+ 11,9%
InvestEU Fund	3.968	13.065	14.065	9.976	- 3 089	- 23,6%	- 4 089	- 29,1%	+ 6 008	+ 151,4%
Connecting Europe Facility (total H1 contribution) including:	17.579	21.720	28.083	18.396	- 3 324	- 15,3%	- 9 687	- 34,5%	+ 817	+ 4,6%
Connecting Europe Facility - Transport	12.393	11.384	17.746	11.384	+ 0	+ 0,0%	- 6 362	- 35,9%	- 1 009	- 8,1%
Connecting Europe Facility - Energy	4.185	7.675	7.675	5.180	- 2 495	- 32,5%	- 2 495	- 32,5%	+ 995	+ 23,8%
Connecting Europe Facility - Digital	1.001	2.662	2.662	1.832	- 830	- 31,2%	- 830	- 31,2%	+ 831	+ 82,9%
Digital Europe Programme	172	8.192	8.192	6.255	- 1 937	- 23,6%	- 1 937	- 23,6%	+ 6 083	+ 3528,3%
Other	9.097	177	177	135	- 42	- 23,8%	- 42	- 23,8%	- 8 962	- 98,5%
Decentralised agencies	1.069	1.220	1.281	931	- 289	- 23,7%	- 350	- 27,3%	- 138	- 12,9%
3. Single Market	5.100	5.672	8.423	4.331	- 1 341	- 23,6%	- 4 092	- 48,6%	- 769	- 15,1%
Single Market Programme (incl. COSME)	3.547	3.629	5.823	2.771	- 858	- 23,6%	- 3 052	- 52,4%	- 776	- 21,9%
Reminder: amount previously under COSME now moved under InvestEU	1.394	1.774	1.774							
EU Anti-Fraud Programme	156	161	322	123	- 38	- 23,4%	- 199	- 61,8%	- 33	- 21,3%
Cooperation in the field of taxation (FISCALIS)	226	239	300	182	- 57	- 23,8%	- 118	- 39,3%	- 44	- 19,6%
Cooperation in the field of customs (CUSTOMS)	536	843	843	644	- 199	- 23,6%	- 199	- 23,6%	+ 108	+ 20,2%
EP: Tourism			300				- 300			
Other	61	87	87	66	- 21	- 23,8%	- 21	- 23,8%	+ 5	+ 9,0%
Decentralised agencies	575	714	748	545	- 169	- 23,6%	- 203	- 27,1%	- 30	- 5,1%
4. Space	11.502	14.404	15.225	12.861	- 1 543	- 10,7%	- 2 364	- 15,5%	+ 1 359	+ 11,8%
European Space Programme	11.308	14.196	15.017	12.702	- 1 494	- 10,5%	- 2 315	- 15,4%	+ 1 394	+ 12,3%
Decentralised agencies	194	208	208	159	- 49	- 23,7%	- 49	- 23,7%	- 35	- 17,9%
Margin	-1.913	10.824	13.026	8.264	- 2 560	- 23,6%	- 4 762	- 36,6%	+ 10 177	
II. Cohesion and Values	387.250	391.974	457.540	374.056	- 17 918	- 4,6%	- 83 484	- 18,2%	- 13 194	- 3,4%
5. Regional Development and Cohesion	272.647	242.209	272.647	237.053	- 5 156	- 2,1%	- 35 594	- 13,1%	- 35 594	- 13,1%
ERDF+CF including:	272.411	241.996	272.411	236.881	- 5 115	- 2,1%	- 35 530	- 13,0%	- 35 530	- 13,0%
European Regional Development Fund	196.564	200.622		197.181	- 3 441	- 1,7%			+ 617	+ 0,3%
Cohesion Fund	75.848	41.374		39.700	- 1 674	- 4,0%			- 36 148	- 47,7%
Of which contribution to the Connecting Europe Facility - Transport	11.487	10.000		10.000	+ 0	+ 0,0%			- 1 487	- 12,9%
Support to the Turkish-Cypriot Community	236	213	236	172	- 41	- 19,2%	- 64	- 27,1%	- 64	- 27,1%
6. Economic and Monetary Union	273	22.281	22.281	19.262	- 3 019	- 13,6%	- 3 019	- 13,6%	+ 18 989	+ 6966,7%
Reform Support Programme/ FI negotiating box: BICC+CRI+TSI	185	22.181	22.181	19.181	- 3 000	- 13,5%	- 3 000	- 13,5%	+ 18 996	+ 10292%
Protection of the Euro Against Counterfeiting	7	7	7	6	- 1	- 12,2%	- 1	- 12,2%	- 1	- 19,3%
Other	81	93	93	75	- 18	- 19,5%	- 18	- 19,5%	- 6	- 6,9%

	MFF 2014-2020 (EU27+EDF) 1,16% EU-GNI	COM MFF proposal 2021-2027 (EU27+EDF) 1,11% EU-GNI	EP position 2021-2027 (EU27+EDF) 1,3% EU-GNI	FI presidency 5/12 proposal 2021-2027 (simulation figures in orange) 1,07% EU-GNI	Comparison FI proposal vs. COM		Comparison FI proposal vs. EP		Comparison FI proposal vs. MFF 2014-2020 (EU27+EDF)	
EUR million 2018 prices										
7. Investing in People, Social Cohesion and Values	115.729	123.466	157.612	114.505	- 8 961	- 7,3%	- 43 107	- 27,4%	- 1 224	- 1,1%
European Social Fund+, <i>EP: including EUR 5,9 billion for a Child Guarantee</i>	96.216	89.688	106.781	87.300	- 2 388	- 2,7%	- 19 481	- 18,2%	- 8 916	- 9,3%
Of which shared management	95.141	88.646	105.686	86.300	- 2 346	- 2,6%	- 19 386	- 18,3%	- 8 841	- 9,3%
Of which health, employment and social innovation	1.075	1.042	1.095	1.042	+ 0	+ 0,0%	- 53	- 4,8%	- 33	- 3,1%
Erasmus+	13.699	26.368	41.097	21.237	- 5 131	- 19,5%	- 19 860	- 48,3%	+ 7 538	+ 55,0%
European Solidarity Corps	373	1.113	1.113	896	- 217	- 19,5%	- 217	- 19,5%	+ 523	+ 140,5%
Creative Europe	1.403	1.642	2.806	1.322	- 320	- 19,5%	- 1 484	- 52,9%	- 81	- 5,8%
Justice, Rights and Values, including:	910	841	1.943	678	- 163	- 19,4%	- 1 265	- 65,1%	- 232	- 25,5%
Justice	316	271	316	218	- 53	- 19,6%	- 98	- 31,0%	- 98	- 31,0%
Rights and Values, including at least EUR 500 million for a Union Values strand	594	570	1.627	459	- 111	- 19,5%	- 1 168	- 71,8%	- 135	- 22,7%
Other	1.158	1.185	1.185	954	- 231	- 19,5%	- 231	- 19,5%	- 204	- 17,6%
Decentralised agencies	1.971	2.629	2.687	2.118	- 511	- 19,4%	- 569	- 21,2%	+ 147	+ 7,5%
Margin	-1.399	4.018	4.999	3.236	- 782	- 19,5%	- 1 763	- 35,3%	+ 4 635	
III. Natural Resources and Environment	399.608	336.623	404.718	346.582	+ 9 959	+ 3,0%	- 58 136	- 14,4%	- 53 026	- 13,3%
8. Agriculture and Maritime Policy	390.155	330.724	391.198	340.703	+ 9 979	+ 3,0%	- 50 495	- 12,9%	- 49 452	- 12,7%
EAGF+EAFRD including:	382.855	324.284	383.255	334.284	+ 10 000	+ 3,1%	- 48 971	- 12,8%	- 48 571	- 12,7%
European Agricultural Guarantee Fund (EAGF)	286.143	254.247		254.247	+ 0	+ 0,0%			- 31 896	- 11,1%
European Agricultural Fund for Rural Development (EAFRD)	96.712	70.037		80.037	+ 10 000	+ 14,3%			- 16 675	- 17,2%
European Maritime and Fisheries Fund	6.243	5.448	6.867	5.430	- 18	- 0,3%	- 1 437	- 20,9%	- 813	- 13,0%
Other	962	878	962	876	- 2	- 0,3%	- 86	- 9,0%	- 86	- 9,0%
Decentralised agencies	95	113	113	113	- 0	- 0,4%	- 0	- 0,4%	+ 18	+ 19,1%
9. Environment and Climate Action	3.492	5.085	11.520	5.068	- 17	- 0,3%	- 6 452	- 56,0%	+ 1 576	+ 45,1%
Programme for Environment and Climate Action (LIFE)	3.221	4.828	6.442	4.812	- 16	- 0,3%	- 1 630	- 25,3%	+ 1 591	+ 49,4%
EP: Energy transition fund			4.800				- 4 800			
Decentralised agencies	272	257	278	256	- 1	- 0,3%	- 22	- 7,9%	- 16	- 5,8%
Margin	5.960	814	1.999	811	- 3	- 0,4%	- 1 188	- 59,4%	- 5 149	- 86,4%
IV. Migration and Border Management	10.051	30.829	32.194	23.389	- 7 440	- 24,1%	- 8 805	- 27,4%	+ 13 338	+ 132,7%
10. Migration	7.180	9.972	10.314	9.654	- 319	- 3,2%	- 660	- 6,4%	+ 2 474	+ 34,5%
Asylum and Migration Fund	6.745	9.205	9.205	9.205	+ 0	+ 0,0%	+ 0	+ 0,0%	+ 2 460	+ 36,5%
Decentralised agencies	435	768	1.109	449	- 319	- 41,5%	- 660	- 59,5%	+ 14	+ 3,3%
11. Border Management	5.492	18.824	19.848	12.545	- 6 279	- 33,4%	- 7 303	- 36,8%	+ 7 053	+ 128,4%
Integrated Border Management Fund	2.773	8.237	8.237	5.505	- 2 732	- 33,2%	- 2 732	- 33,2%	+ 2 732	+ 98,5%
Decentralised agencies	2.720	10.587	11.611	7.040	- 3 547	- 33,5%	- 4 571	- 39,4%	+ 4 320	+ 158,9%
Of which European Border and Coast Guard Agency		9.064		6.148	- 2 916	- 32,2%				
Margin	-2.621	2.033	2.033	1.190	- 843	- 41,5%	- 843	- 41,5%	+ 3 811	
V. Security and Defence	1.964	24.324	24.639	14.691	- 9 633	- 39,6%	- 9 948	- 40,4%	+ 12 727	+ 648,1%
12. Security	3.455	4.256	4.571	3.641	- 615	- 14,4%	- 930	- 20,3%	+ 186	+ 5,4%
Internal Security Fund	1.200	2.210	2.210	1.705	- 505	- 22,8%	- 505	- 22,8%	+ 505	+ 42,1%
Nuclear Decommissioning	1.359	1.045	1.359	1.045	+ 0	+ 0,0%	- 314	- 23,1%	- 314	- 23,1%
Nuclear Decommissioning (Lithuania)	459	490	692	490	+ 0	+ 0,0%	- 202	- 29,2%	+ 30	+ 6,6%
Nuclear safety and decommissioning (incl. for Bulgaria and Slovakia)	900	555	667	555	+ 0	+ 0,0%	- 112	- 16,8%	- 345	- 38,3%
Decentralised agencies	896	1.001	1.002	891	- 110	- 11,0%	- 111	- 11,1%	- 5	- 0,5%

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EUR million 2018 prices										
13. Defence	575	17.220	17.220	8.514	- 8 706	- 50,6%	- 8 706	- 50,6%	+ 7 939	+ 1379,9%
European Defence Fund	575	11.453	11.453	6.014	- 5 439	- 47,5%	- 5 439	- 47,5%	+ 5 439	+ 945,4%
Military Mobility	0	5.767	5.767	2.500	- 3 267	- 56,7%	- 3 267	- 56,7%	+ 2 500	
14. Crisis Response	1.222	1.242	1.242	1.106	- 136	- 11,0%	- 136	- 11,0%	- 116	- 9,5%
Union Civil Protection Mechanism (rescEU)	560	1.242	1.242	1.106	- 136	- 11,0%	- 136	- 11,0%	+ 546	+ 97,5%
Other	662	0	0	0					- 662	- 100,0%
Margin	-3.289	1.606	1.606	1.430	- 176	- 10,9%	- 176	- 10,9%	+ 4 719	
VI. Neighbourhood and the World	96.296	108.929	113.386	103.217	- 5 712	- 5,2%	- 10 169	- 9,0%	+ 6 921	+ 7,2%
15. External Action	85.313	93.150	96.809	89.094	- 4 057	- 4,4%	- 7 715	- 8,0%	+ 3 781	+ 4,4%
Instrument(s) in support of neighbourhood and development policies, including the EDF successor and an investment plan for Africa	71.767	79.216	82.716	75.492	- 3 724	- 4,7%	- 7 224	- 8,7%	+ 3 725	+ 5,2%
Humanitarian Aid	9.906	9.760	9.760	9.760	+ 0	+ 0,0%	+ 0	+ 0,0%	- 146	- 1,5%
CFSP + OCT (common amount in FI negotiating box), including:	2.695	3.093	3.243	2.819	- 274	- 8,8%	- 424	- 13,1%	+ 124	+ 4,6%
Common Foreign and Security Policy (CFSP)	2.101	2.649	2.649							
Overseas Countries and Territories (including Greenland)	594	444	594							
Other	801	949	949	898	- 51	- 5,4%	- 51	- 5,4%	+ 97	+ 12,1%
Decentralised agencies	144	132	141	125	- 7	- 5,6%	- 16	- 11,3%	- 19	- 13,2%
16. Pre-accession assistance	13.010	12.865	13.010	11.365	- 1 500	- 11,7%	- 1 645	- 12,6%	- 1 645	- 12,6%
Pre-Accession Assistance	13.010	12.865	13.010	11.365	- 1 500	- 11,7%	- 1 645	- 12,6%	- 1 645	- 12,6%
Margin	-2.027	2.913	3.567	2.757	- 156	- 5,4%	- 810	- 22,7%	+ 4 784	
VII. European Public Administration	70.791	75.602	75.602	73.602	- 2 000	- 2,6%	- 2 000	- 2,6%	+ 2 811	+ 4,0%
European Schools and Pensions	14.047	17.055	17.055							
Administrative expenditure of the institutions	56.744	58.547	58.547							
TOTAL	1.082.321	1.134.584	1.324.089	1.087.327	- 47 257	- 4,2%	- 236 762	- 17,9%	+ 5 006	+ 0,5%
In % GNI (EU-27)	1,16%	1,11%	1,30%	1,07%						

Notes:

Figures under the Finnish presidency column with an orange background are not explicitly specified in the negotiating box but are the result of a simulation of a linear cut at heading level, taking into account the ceiling and programme envelopes that are already proposed in the negotiating box. This is only a simulation and is without prejudice to future proposals and positions to be taken by the Council, and to negotiations with the European Parliament.

EU27 figures 2014-2020 are an estimate from Commission's technical fiche n°1 of May 2018; 2018 reflects the budget as of April 2018 (i.e. before amending budgets).

Unlike in the Commission's technical fiche n°1, comparison figures for Horizon 2020 and Single Market Programme are the actual financial envelope set out in the proposed basic acts (converted in 2018 prices). It excludes the amounts previously spent under Horizon 2020 and COSME that are now both falling under the InvestEU envelope.

For the Neighbourhood, Development and International Cooperation Instrument, the allocation of EUR 89 500 million includes EUR 300 million for the Instrument for Nuclear Safeguards Cooperation, set up under a separate legal act.

Humanitarian Aid includes transfers from the Emergency Aid Reserve in 2015, 2016 and 2017 corresponding to appropriations carried over from 2014, 2015 and 2016, respectively.

Discrepancies may appear due to the use of rounded figures.

Annex II - Finnish presidency numbers: MFF overview

	MFF 2014-2020 (EU27+EDF) 1,16% EU-GNI	COM MFF proposal 2021-2027 (EU27+EDF) 1,11% EU-GNI	EP position 2021-2027 (EU27+EDF) 1,3% EU-GNI	FI presidency 5/12 proposal 2021-2027 1,07% EU-GNI	Comparison FI proposal vs. COM		Comparison FI proposal vs. EP		Comparison FI proposal vs. MFF 2014-2020 (EU27+EDF)	
EUR million 2018 prices										
I. Single Market, Innovation and Digital	116.361	166.303	216.010	151.790	- 14 513	- 8,7%	- 64 220	- 29,7%	+ 35 429	+ 30,4%
II. Cohesion and Values	387.250	391.974	457.540	374.056	- 17 918	- 4,6%	- 83 484	- 18,2%	- 13 194	- 3,4%
Of which: Economic, social and territorial cohesion	367.552	330.642	378.097	323.181	- 7 461	- 2,3%	- 54 916	- 14,5%	- 44 371	- 12,1%
III. Natural Resources and Environment	399.608	336.623	404.718	346.582	+ 9 959	+ 3,0%	- 58 136	- 14,4%	- 53 026	- 13,3%
IV. Migration and Border Management	10.051	30.829	32.194	23.389	- 7 440	- 24,1%	- 8 805	- 27,4%	+ 13 338	+ 132,7%
V. Security and Defence	1.964	24.323	24.639	14.691	- 9 632	- 39,6%	- 9 948	- 40,4%	+ 12 727	+ 648,1%
VI. Neighbourhood and the World	95.119	108.929	113.386	103.217	- 5 712	- 5,2%	- 10 169	- 9,0%	+ 8 098	+ 8,5%
VII. European Public Administration	70.791	75.602	75.602	73.602	- 2 000	- 2,6%	- 2 000	- 2,6%	+ 2 811	+ 4,0%
TOTAL COMMITMENT APPROPRIATIONS	1.081.144	1.134.583	1.324.089	1.087.327	- 47 256	- 4,2%	- 236 762	- 17,9%	+ 6 183	+ 0,6%
as a percentage of GNI	1,16%	1,11%	1,30%	1,07%						
TOTAL PAYMENT APPROPRIATIONS		1.104.805	1.294.311	1.080.000	- 24 805	- 2,2%	- 214 311	- 16,6%		
as a percentage of GNI		1,08%	1,27%	1,06%						
OUTSIDE THE MFF CEILINGS										
Emergency aid reserve	2.040	4.200	7.000							
European Globalisation Adjustment Fund (EGF)	3.500	4.200	7.000							
Sub-total EAR + EUSF (FI negotiating box: Solidarity and Emergency Aid Reserve)	5.540	8.400	14.000	6.440	- 1 960	- 23,3%	- 7 560	- 54,0%	+ 900	+ 16,2%
European Globalisation Adjustment Fund (EGF)	1.050	1.400	1.400	1.302	- 98	- 7,0%	- 98	- 7,0%	+ 252	+ 24,0%
Flexibility instrument	3.813	7.000	14.000	5.404	- 1 596	- 22,8%	- 8 596	- 61,4%	+ 1 591	+ 41,7%
European Investment Stabilisation Function		p.m.	p.m.							
European Peace Facility		9.223	9.223	4.500	- 4 723	- 51,2%	- 4 723	- 51,2%		

Annex III - Methodological note

Where there is no explicit figure in the negotiating box, Annex I simulates figures for programmes, agencies and margins by reflecting proportionally the variation observed at heading level, after deducting programme figures that are already provided; those simulation figures appear against an orange background in the “Finnish presidency 2/12 proposal” column and give an indicative picture of the average variation per programme. They are without prejudice to future proposals and positions to be taken by the Council and to be negotiated with the European Parliament.

Annexes I and II compare the Finnish presidency proposals with:

- The Commission proposals for the MFF 2021-2027;
- The European Parliament’s position on the MFF 2021-2027 as set out in the [interim report of 14 November 2018](#) (reconfirmed in the [resolution of 10 October 2019](#));
- The present MFF 2014-2020 (UK expenditure deducted, European Development Fund included) based on the figures provided by the Commission shortly after its May 2018 proposals (technical fiche n°1).

The 2014-2020 reference figures are based on a working document (“technical fiche n°1”) provided to the other institutions by the European Commission in May 2018 (updated in June 2018) and which has served as main point of comparison so far in the MFF negotiations. Those figures take into account the adopted budgets and financial programming (derived from the overall programme envelopes) at the time, and deduct the average share of expenditure committed in the UK. They do not take into account the outcome of the 2019 and 2020 budget negotiations.

Under “Commission proposal”, the 2021-2027 amount taken as reference for Horizon Europe is the actual financial envelope set out in the proposed basic acts (converted in 2018 prices). It excludes the amount previously spent under Horizon 2020 but now falling under the InvestEU envelope (instead of counting them jointly, as the Commission did in its technical fiche n°1). Indeed, when proposing the amount of EUR 84 013 million, the negotiating box explicitly refers to “the financial envelope for the implementation of the Horizon Europe Programme” and not to any aggregate number. The same logic is being applied to the Single Market programme.

The negotiating box of 2 December 2019 contained discrepancies regarding the ESF+ figures, which have been partially corrected by the Finnish presidency on 3 December. The ESF+ and Cohesion Fund amounts are used to deduct the amount of the ERDF. A remainder of EUR 42 million from the ESF+ direct/indirect management strand remains not accounted for. Those figures may evolve once the Finnish presidency fully clarifies those points.

As in the Commission’s technical fiche n°1, the 2014-2020 figure for Humanitarian Aid correspond to the initial Humanitarian Aid envelope + the mobilisation of the the Emergency Aid Reserve until 2017 (which originate from an additional thematic special instrument outside the MFF ceilings). The Emergency Aid Reserve is proposed again for 2021-2027 and would come on top of the Humanitarian Aid envelope per se.

Given that the negotiating box sometimes contains aggregates of figures or, on the contrary, sub-figures, new lines have been created (compared to the tables used so far e.g. in the EP’s interim report) in order to facilitate the comparison (notably calculation of EAR + EUSF, European Border and Coast Guard agency, CFSP + OCT).

Small discrepancies may appear on the last decimals due to the rounding of figures.

This is a preliminary exercise and will be fine-tuned in the next stages of consideration of the negotiating boxes.