EUROPEAN
COMMISSION

Brussels, 30.1.2019
COM(2019) 64 final

2019/0031 (APP)

Proposal for a

COUNCIL REGULATION

on measures concerning the implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Since the notification by the United Kingdom of its withdrawal intention, the European Union has consistently stated that the Union and the United Kingdom should honour their respective obligations resulting from the whole period of the United Kingdom membership in the Union. This principle was recalled in the European Council's conclusions of 29 April 2017, and reflected in the introduction to the draft withdrawal agreement agreed by the 27 Member States and the United Kingdom government on 14 November 2018. The absence of a withdrawal agreement at the withdrawal date would not affect that guiding principle.

The Commission Communication 'Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019: a Contingency Action Plan' of 13 November 2018[1] set out the contingency measures it plans to take if no withdrawal agreement enters into force on the withdrawal date. In that Communication, the Commission listed the actions it considered necessary while recalling that additional actions may be necessary at a later stage. The Communication also presented the six general principles which contingency measures at all levels should comply with. These include the principles that measures should not replicate the benefits of membership of the Union, nor the terms of any transition period, as provided for in the Withdrawal Agreement; they must be temporary in nature and should in principle not go beyond the end of 2019; and they must be unilateral actions of the European Union in pursuit of its interests, and therefore in principle the Union can revoke them at any time.

A no-deal scenario will leave the budgetary relations between the Union and the UK without agreed legal arrangements, until an agreement is eventually reached. Such a legal vacuum would create considerable uncertainty and difficulties for the implementation of the Union's budget, for all UK beneficiaries and in some cases also for beneficiaries of the other Member States. In line with the Commission's overall approach, this proposal is a contingency measure in response to this situation.

After withdrawal, the UK will no longer be member of the European Union; the Treaties and the secondary legislation will not be applicable to the United Kingdom. The United Kingdom or entities established in the United Kingdom will cease to be eligible to receive funding under those Union programmes, unless relevant provisions for participation of third countries are included in the legal acts of EU spending programmes.

The purpose of this proposal is to avoid, or at least minimise, any unnecessary disruption for beneficiaries of EU spending programmes and other actions at the time of withdrawal, also with the expectation that this will facilitate a financial settlement between the Union and the United Kingdom.

The proposed contingency framework provides for the possibility to maintain the eligibility to benefit from Union financing for the UK and UK entities under legal commitments entered into before the withdrawal date beyond that date and for a limited time period (until 31 December 2019). This is subject to the condition that the UK makes a written commitment and continues to contribute to the financing of the budget for 2019 under the terms set in this proposal. In addition, the UK should commit in writing to accept the controls and audits

[1] COM/2018/880 final.

which cover the entire implementation period of the programmes or the actions. Under these conditions, the financial interests of the Union will be protected.

The UK and UK entities, as well as entities from the other Member States whose eligibility is affected by the UK withdrawal, would continue benefiting from the Union financing under the conditions of this proposal. This would mitigate the disruptive effect of the withdrawal on existing agreements and decisions. It would allow for an orderly budget implementation of legal commitments with the UK and UK entities signed or adopted before the date of withdrawal.

Furthermore, as the UK would finance the whole budget 2019, and in line with the objective of implementing fully the multiannual financial framework 2014-2020 decided while the UK was a member of the Union, the UK and UK entities would be eligible in 2019 for the purposes of conditions set in any calls, tenders, contests or any other procedure which may lead to financing from the Union's budget. This would not apply in case there are restrictions in relation to security and to actions involving the European Investment Bank or the European Investment Fund.

The proposed contingency framework would also allow financing of actions in which Member States and Member States' entities are beneficiaries where the eligibility depends on the United Kingdom being a Member State, provided that these specific actions are implemented under legal commitments signed or adopted before the date of withdrawal.

This eligibility of the UK and UK entities would only start applying after the conditions laid down in this proposal have been fulfilled, including that the UK has made its first payment to the EU budget for the period after its withdrawal. The contingency framework providing for the eligibility of UK and UK entities would cease to apply if the UK discontinues the payments or where significant deficiencies have been observed in the execution of the controls and audits.

The proposal is without prejudice to negotiating an agreement with the UK on a financial settlement covering the entirety of mutual obligations. If no agreement is reached in 2019, the situation at the beginning of 2020 will be equivalent to the one at the withdrawal date for the mutual commitments undertaken by the Union and the United Kingdom. In any event the Union and the United Kingdom would need to honour their respective obligations resulting from the whole period of the United Kingdom membership in the Union.

- **Consistency with existing policy provisions in the policy area**

This proposal aims at minimising the negative impact of the withdrawal of the United Kingdom for the Union budget and for the implementation of the policies of the Union.

- **Consistency with other Union policies**

This proposal is fully consistent with the Council mandate for the negotiations with the United Kingdom on its withdrawal from the Union.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Article 352 TFEU and Article 203 of the Euratom Treaty allow the Union to adopt appropriate measures if actions by the Union should prove necessary, within the framework of

the policies, to attain one of the objectives set out in the Treaties, and the Treaties have not provided the necessary powers. The proposed Regulation constitutes a measure allowing transition following the withdrawal of a Member State with regard to financing and implementation of actions from the Union budget in a situation in which no agreement has been concluded with that State. Such measure is necessary in order to implement the Union's budget of the current financial year (2019), allow to receive the payments from the withdrawing Member State, as well as provide a solution for the ongoing actions financed from the Union's budget for the United Kingdom and United Kingdom's beneficiaries and for new actions justified by the contribution of the United Kingdom to the budget 2019. The Treaties do not provide for the necessary powers for the Union to adopt such transitory measures and therefore Article 352 TFEU and Article 203 of the Euratom Treaty are the appropriate legal basis.

- **Subsidiarity (for non-exclusive competence)**

The Union budgetary authority has adopted the Union's budget 2019 to finance the actions and spending programmes under the MFF 2014-2020 as they were adopted by the Union legislator. The objectives of the proposed action can thus only be achieved by a measure at Union level.

- **Proportionality**

The proposal does not exceed what is necessary to achieve the objectives of the measure, as it is limited to determining the conditions required for the establishment of eligibility of the United Kingdom and United Kingdom's entities, and is limited in time.

- **Choice of the instrument**

Given the need for a binding act which would be directly applicable proposing a regulation is the only adequate form.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

N/A

- **Stakeholder consultations**

It was not to possible to carry out a stakeholder consultation due to the urgency for preparing the proposal so that it can be adopted on time by the Council after obtaining the consent of the European Parliament before the European elections.

- **Impact assessment**

Due to the nature of the proposed measure, no impact assessment was carried out, in line with the Better Regulation Guidelines. There are no other materially different policy options available. The envisaged contingency framework would facilitate the smooth implementation of the budget 2019 and a possible future agreement with the United Kingdom on the respective obligations resulting from the whole period of the UK membership in the Union.

4. BUDGETARY IMPLICATIONS

In a no-deal scenario this proposal would restore the eligibility of the United Kingdom and United Kingdom beneficiaries as long as the United Kingdom continues paying its

contribution set in the budget for 2019. Therefore there are no budgetary implications in comparison with the 2019 budget as adopted by the European Parlement in December 2018.

The UK written commitment to accept the necessary controls and audits would be a condition for the application of the contingency framework.

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on measures concerning the implementation and financing of the general budget of the Union in 2019 in relation to the withdrawal of the United Kingdom from the Union

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 352 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 203 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the consent of the European Parliament[2],

Acting in accordance with a special legislative procedure,

Whereas:

(1) On 29 March 2017, the United Kingdom submitted the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union. In the absence of a withdrawal agreement with the United Kingdom and of the extension of the two-year period referred to in Article 50(3) of the Treaty on European Union, the Treaties have ceased to apply to and in the United Kingdom on 30 March 2019. A financial settlement with regard to the financial obligations following from the United Kingdom's membership in the Union therefore needs to be agreed in a future international agreement between the United Kingdom and the Union.

(2) It is therefore necessary to lay down rules on the relations between the Union on the one hand, and the United Kingdom and its beneficiaries on the other as regards the financing and implementation of the general budget of the Union ('the budget') in 2019.

(3) The Treaties do not provide powers other than those under Article 352 of the Treaty on the Functioning of the European Union and Article 203 of the Treaty establishing the European Atomic Energy Community for the adoption of the measures concerning the implementation and financing of the budget in 2019 in relation to the withdrawal of the United Kingdom from the Union.

(4) The United Kingdom and persons and entities established in United Kingdom are participating in a number of Union programmes or actions on the basis of the United Kingdom's membership in the Union. The participation takes place on the basis of agreements with the United Kingdom or persons or entities established in the United Kingdom or decisions in favour of United Kingdom or persons or entities established in the United Kingdom which constitute legal commitments.

[2] OJ C , , p. .

(5) For many of those agreements and decisions, the rules governing the eligibility require the beneficiary to be a Member State or a person or entity established in a Member State. The eligibility of the United Kingdom or persons or entities established in the United Kingdom is in such cases linked to the United Kingdom being a Member State. The withdrawal of the United Kingdom from the Union therefore entails the loss of eligibility of such recipients of Union financing under the agreements and decisions. However, this does not concern cases where persons or entities established in the United Kingdom would participate in an action as and under the conditions applicable under the respective Union rules for persons and entities established in a third country.

(6) It would be beneficial both for the Union and its Member States and for the United Kingdom and persons and entities established in the United Kingdom to implement the budget for 2019 as it has been adopted for that year. It would also be beneficial if the legal commitments signed and adopted before the date of withdrawal could continue to be executed.

(7) It is therefore appropriate to lay down conditions under which the United Kingdom and persons and entities established in the United Kingdom could continue to be eligible in 2019 with regard to the agreements signed with them and the decisions adopted with regard to them until the date on which the Treaties cease to apply to and in the United Kingdom ("date of withdrawal"). The conditions would be that the United Kingdom has confirmed the commitment in writing to the Commission to continue to pay a contribution to the budget in 2019 calculated on the basis of the estimated own resources from the United Kingdom in the approved budget for 2019, that a first instalment has been paid by the United Kingdom and that the United Kingdom has confirmed the commitment in writing to the Commission to allow audits and controls in full by the Union in compliance with the applicable rules. In view of the need for certainty it is appropriate to limit the time for the fulfilment of the conditions. The Commission should adopt a decision on the fulfilment of the conditions.

(8) As long as the conditions for eligibility of the United Kingdom and persons and entities established in the United Kingdom under this Regulation continue to be fulfilled, it is also appropriate to provide for their eligibility for the purposes of conditions set in calls, tenders, contests or any other procedure which may lead to financing from the Union's budget, with the exception of specific cases related to security and to the loss of membership of the United Kingdom in the European Investment Bank, and to provide Union funding to them.

(9) It is also appropriate to provide that the eligibility of the United Kingdom and persons and entities established in the United Kingdom would continue under the condition that United Kingdom continues the payments to the Union budget 2019 and that controls and audits can be carried out effectively. Where these conditions are no longer fulfilled, the Commission should take a decision establishing such failure. In such a case, the United Kingdom and persons and entities established in the United Kingdom should cease to be eligible for Union financing.

(10) It is also appropriate to provide for the continuation of eligibility of actions in which Member States or persons or entities established in the Member States receive Union funds and which are related to the United Kingdom in 2019. However, the potential non-acceptance by the United Kingdom of controls and audits should constitute an element to be taken into account for the purposes of sound financial management when assessing the implementation of such actions.

(11) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather be better achieved at Union level as they concern the Union budget and programmes and actions implemented by the Union, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(12) In order to allow for a limited flexibility, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of a possible extension of the deadlines set in Article 2(1) (a), (b) and (c), and amendments to the payment schedule for the months after August 2019. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. Where, in the case of a risk of a serious disruption of the implementation and financing of the Union budget in 2019, imperative grounds of urgency so require, the delegated act should enter into force without delay and should apply as long as no objection is expressed by the European Parliament or the Council.

(13) This Regulation should enter into force as a matter of urgency and should apply from the day following that on which the Treaties ceased to apply to and in the United Kingdom. Given that at the date of withdrawal an adopted budget of the Union, which provides for the participation of the United Kingdom in its financing, covers only 2019, it should only apply to the eligibility for the year 2019.

HAS ADOPTED THIS REGULATION:

Article 1
Subject matter and scope

1. This Regulation lays down rules on the implementation and the financing of the general budget of the Union ('the budget') in 2019 in relation to the withdrawal of the United Kingdom from the Union and on actions under direct, indirect and shared management for which the eligibility is fulfilled through the membership of the United Kingdom in the Union at the date on which the Treaties cease to apply to and in the United Kingdom ("date of withdrawal").

2. This Regulation applies without prejudice to the territorial cooperation programmes covered by Regulation (EU) 2019/… of the European Parliament and of the Council[3] and to the learning mobility activities under the Erasmus+ programme covered by Regulation 2019/… of the European Parliament and of the Council[4].

[3] Regulation (EU) 2019/… of the European Parliament and of the Council of … in order to allow for the continuation of the territorial cooperation programmes PEACE IV (Ireland-United Kingdom) and United Kingdom-Ireland (Ireland-Northern Ireland-Scotland)in the context of the withdrawal of the United Kingdom from the European Union.

[4] Regulation (EU) 2019/… of the European Parliament and of the Council of … laying down provisions for the continuation of ongoing learning mobility activities under the Erasmus+ programme in the

Article 2

Conditions for eligibility

1. Where the United Kingdom or a person or entity established in the United Kingdom receive Union funds under an action carried out in direct, indirect or shared management pursuant to legal commitments signed or adopted before the date of withdrawal and eligibility under that action depends on the membership of the United Kingdom in the Union, they shall continue to be eligible in 2019 following the date of withdrawal if the following conditions are met:

   (a) the United Kingdom has confirmed at the latest on 18 April 2019 in writing to the Commission that it will continue to contribute to the budget in 2019 the amount displayed in the line "United Kingdom" and column "Total Own Resource" of table 7 of part "A. Introduction and financing of the general budget of the Union" of the revenue part of the budget for 2019 set out in Definitive adoption (EU, Euratom) 2019/… of the European Union's general budget for the financial year 2019[5], reduced by the amount of own resources made available by the United Kingdom in respect of the financial year 2019 before the date of withdrawal, in accordance with the payment schedule laid down in this Regulation;

   (b) the United Kingdom has paid at the latest on 30 April 2019 on the account determined by the Commission the first payment which corresponds to the instalment referred to in the second subparagraph of this paragraph multiplied by the result of the following: the number of full months between the date of withdrawal and the end of the year 2019 reduced by the number of months between the month of the first payment, exclusive that month, and the end of the year 2019;

   (c) the United Kingdom has confirmed at the latest on 18 April 2019 the commitment in writing to the Commission that it will continue to accept the controls and audits which cover the entire period of the programmes and actions in accordance with the applicable rules;

   (d) the Commission has adopted the decision referred to in paragraph 2 that the conditions referred to in point (a), (b) and (c) have been fulfilled.

   The amount referred to in point (a) of the first subparagraph shall be broken down into equal instalments. The number of instalments shall correspond to the number of full months between the date of withdrawal and the end of the year 2019. The payments of the amount referred to in point (a) of the first subparagraph amount shall constitute other revenue of the Union's budget.

   The commitment referred to in point (c) of the first subparagraph shall include in particular the cooperation in the protection of the financial interests of the Union and the acceptance of the rights of the Commission, the Court of Auditors and the European Anti-Fraud Office to access data and documents relating to Union contributions, and perform controls and audits.

2. The Commission shall adopt a decision on whether the conditions laid down in points (a), (b) and (c) of paragraph 1 have been fulfilled.

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context of the withdrawal of the United Kingdom of Great Britain and Northern Ireland ("United Kingdom") from the European Union.

[5] OJ …

3. The Commission is empowered to adopt delegated acts in accordance with Article 7 concerning the extension of the deadlines set in points (a), (b) and (c) of paragraph 1.

Where, in the case of a risk of serious disruption of the implementation and financing of the Union budget in 2019, imperative grounds of urgency so require, the procedure provided for in Article 8 shall apply to delegated acts adopted pursuant to this paragraph.

Article 3

Continuation of eligibility of United Kingdom and of persons and entities established in the United Kingdom

1. The eligibility of United Kingdom and persons and entities established in the United Kingdom established in accordance with Article 2 shall continue in the year 2019 as long as the following conditions are fulfilled:

   (a) the United Kingdom has, following the first payment made in accordance with Article 2(1)(b), paid on the account determined by the Commission the monthly instalment referred to in the second subparagraph of paragraph 1 of Article 2 on the first working day of each month until August 2019;

   (b) the United Kingdom has paid on the account determined by the Commission on the first working day of September 2019 the remaining monthly instalments referred to in the second subparagraph of paragraph 1 of Article 2, unless the Commission communicates to the United Kingdom a different payment schedule for this payment by 31 August 2019;

   (c) no significant deficiencies have been observed in the execution of the controls and audits referred to in Article 2(1)(c).

2. Where one or more of the conditions referred to in paragraph 1 are not fulfilled the Commission shall adopt a decision to that effect. That decision shall be published in the Official Journal of the European Union.

   As of the date of entry into force of the decision referred to in the first subparagraph of this paragraph, paragraph 1 of this Article, Article 2, Article 4 and Article 5 shall cease to apply.

3. The Commission is empowered to adopt delegated acts in accordance with Article 7 concerning a different payment schedule for the payment referred to in point (b) of paragraph 1.

   Where, in the case of a risk of a serious disruption of the implementation and financing of the Union budget in 2019, imperative grounds of urgency so require, the procedure provided for in Article 8 shall apply to delegated acts adopted pursuant to this paragraph.

Article 4

Participation in calls

As of the date of the entry into force of the decision referred to in Article 2(1)(d), and unless a decision as referred to in Article 3(2) has entered into force, the United Kingdom or persons and entities established in the United Kingdom shall be eligible in 2019 for the purposes of conditions set in any calls, tenders, contests or any other procedure which may lead to financing from the Union's budget to the same extent as Member States and persons or entities established in the Member States, and be eligible for Union funding.

The first paragraph shall not apply where the participation is limited to the Member States and persons or entities established in the Member States for security reasons, and to any actions that involve the participation of the European Investment Bank or the European Investment Fund.

Article 5

Other necessary adaptations

If the conditions laid down in Article 2(1) are fulfilled, and unless a decision as referred to in Article 3(2) has entered into force, for the purpose of application of any rules governing the actions carried out under the legal commitments referred to in Article 2(1), the calls referred to in Article 4 and the actions carried out under the legal commitments signed or adopted following the calls referred to in Article 4, which are necessary to give effect to Articles 2(1) and 4(1), the United Kingdom shall be treated as a Member State, subject to the provisions of this Regulation.

However, the United Kingdom or United Kingdom representatives shall not be allowed to participate in any committee assisting in the management under the rules of the basic act, or expert groups or other bodies advising on the programmes or on the actions, with the exception of monitoring or similar committees specific for the particular operational, national or similar programmes in shared management.

Article 6

Eligibility of actions that relate to the United Kingdom, where the Member States or persons or entities established in the Member States receive the Union funds

1. Actions under direct, indirect and shared management for which the Member States or persons or entities established in the Member States receive Union funds under legal commitments signed or adopted before the date of withdrawal and for which the eligibility is fulfilled through the membership of the United Kingdom in the Union at the date of withdrawal shall be eligible in 2019 as of the date of withdrawal.

   Actions for which the eligibility condition of a minimum number of participants from different Member States in a consortium is fulfilled at the date of withdrawal through a member of the consortium which is a person or entity established in the United Kingdom, shall be eligible in 2019 where the conditions of Article 2(1) are fulfilled.

2. The non-fulfilment of the condition referred to in Article 2(1)(c) or a Commission decision as referred to in Article 3(2) concerning the non-fulfilment of conditions referred to in Article 3(1)(c), shall be taken into account by the responsible authorising officer for the purposes of assessment of a possible serious deficiency in complying with the main obligations in the implementation of the legal commitment referred to in paragraph 1.

Article 7

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Articles 2 and 3 shall be conferred on the Commission for an indeterminate period of time from date of entry into force of this Regulation.

3. The delegation of power referred to in Articles 2 and 3 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Articles 2 and 3 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.

Article 8

Urgency procedure

1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 7(6). In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.

Article 9

Entry into force and application

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

It shall apply from the date following that on which the Treaties cease to apply to and in the United Kingdom pursuant to Article 50(3) of the Treaty on European Union.

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

Done at Brussels,

For the Council

The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

1.2. Policy area(s) concerned

Proposal for a Council Regulation on measures concerning the implementation and financing from the Union budget in 2019 in relation to the withdrawal of the United Kingdom from the European Union.

1.3. Grounds for the proposal/initiative

1.3.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

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

It shall apply from the date following that on which the Treaties cease to apply to and in the United Kingdom pursuant to Article 50(3) of the Treaty on European Union.

This Regulation shall not apply if a withdrawal agreement concluded with the United Kingdom in accordance with Article 50(2) of the Treaty on European Union has entered into force by that date.

1.3.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

N/A

1.3.3. Lessons learned from similar experiences in the past

N/A

1.3.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

This Regulation is compatible with the MFF. It has no financial impact.

1.3.5. Assessment of the different available financing options, including scope for redeployment

This Regulation has no financial impact. The Union contribution to the programmes will be financed via the general budget of the Union provided that the United Kingdom provides the resources foreseen in the budget 2019 as adopted by the European Parliament in December 2018.

1.4. Duration and financial impact of the proposal/initiative

– **X** no financial impact

1.5. Management mode(s) planned[6]

X **Direct management** by the Commission

– X by its departments, including by its staff in the Union delegations;

– X by the executive agencies

X Shared management with the Member States

X **Indirect management** by entrusting budget implementation tasks to:

– X third countries or the bodies they have designated;

– X international organisations and their agencies (to be specified);

– X the EIB and the European Investment Fund;

– X bodies referred to in Articles 70 and 71 of the Financial Regulation;

– X public law bodies;

– X bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

– X bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

– X persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

– *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

N/A

[6] Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

N/A

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

N/A

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

N/A

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

N/A

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

N/A

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[7]	from EFTA countries[8]	from candidate countries[9]	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
All	All programmes of the Multi-annual financial framework	Diff/Non diff				

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– **X This Regulation has no financial impact.**

– ☐ The proposal/initiative requires the use of operational appropriations, as explained below:

[7] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

[8] EFTA: European Free Trade Association.

[9] Candidate countries and, where applicable, potential candidates from the Western Balkans.

EUR

Heading of multiannual financial framework	13	

			2019	2020	2021	2022	2023	Subsequent years	**TOTAL**
• Cancellation of operational appropriations									
	Commitments	(1a)							
	Payments	(2a)							
TOTAL appropriations	Commitments	=1a+1b +3							
	Payments	=2a+2b +3							

• TOTAL operational appropriations	Commitments	(4)							
	Payments	(5)							
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)							
TOTAL appropriations	Commitments	=4+ 6							
	Payments	=5+ 6							

If more than one operational heading is affected by the proposal / initiative, repeat the section above:

• TOTAL operational appropriations (all	Commitments	(4)								

operational headings)	Payments	(5)								
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)								
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6								
	Payments	=5+ 6								

Heading of multiannual financial framework	5	'Administrative expenditure'

This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the Annex to the Legislative Financial Statement (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

EUR million (to three decimal places)

		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
DG: <…….>									
• Human resources									
• Other administrative expenditure									
TOTAL DG <…….>	Appropriations								

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)								

EUR million (to three decimal places)

		Year **N**[10]	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments								
	Payments								

[10] Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **N**		Year **N+1**		Year **N+2**		Year **N+3**		Enter as many years as necessary to show the duration of the impact (see point 1.6)						**TOTAL**	
	OUTPUTS																	
	Type[11]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[12]…																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTALS																		

[11] Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

[12] As described in point 1.4.2. 'Specific objective(s)…'

3.2.3. Summary of estimated impact on administrative appropriations

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year **N** [13]	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
HEADING 5 of the multiannual financial framework								
Human resources								
Other administrative expenditure								
Subtotal HEADING 5 of the multiannual financial framework								
Outside HEADING 5[14] of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								
Subtotal outside HEADING 5 of the multiannual financial framework								
TOTAL								

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

[13] Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

[14] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.3.1. Estimated requirements of human resources

– ☐ The proposal/initiative does not require the use of human resources.

– ☐ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
• Establishment plan posts (officials and temporary staff)								
XX 01 01 01 (Headquarters and Commission's Representation Offices)								
XX 01 01 02 (Delegations)								
XX 01 05 01/11/21 (Indirect research)								
10 01 05 01/11 (Direct research)								
• External staff (in Full Time Equivalent unit: FTE)[15]								
XX 01 02 01 (AC, END, INT from the 'global envelope')								
XX 01 02 02 (AC, AL, END, INT and JPD in the delegations)								
XX 01 04 **yy** [16]	- at Headquarters							
	- in Delegations							
XX 01 05 02/12/22 (AC, END, INT - Indirect research)								
10 01 05 02/12 (AC, END, INT - Direct research)								
Other budget lines (specify)								
TOTAL								

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	
External staff	

[15] AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

[16] Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.4. Compatibility with the current multiannual financial framework

The proposal/initiative:

– **X** can be fully financed twithin the relevant heading of the Multiannual Financial Framework (MFF).

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

– ☐ requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. Third-party contributions

The proposal/initiative:

– **X** does not provide for co-financing by third parties

– provides for the co-financing by third parties estimated below:

Appropriations in EUR

3.3. Estimated impact on revenue

– ☐ The proposal/initiative has no financial impact on revenue.

– The proposal/initiative has the following financial impact:

☐ on own resources

X on other revenue

please indicate, if the revenue is assigned to expenditure lines X

EUR

For assigned revenue, specify the budget expenditure line(s) affected.

N/A

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

The increase of the other revenue will correspond to the exact same amount as the own resources to be made available by the United Kingdom for the period after the withdrawal date in line with the budget for 2019 as adopted by the European Parliament in December 2018.