

# **Active Monitoring and Forecast of Budget Implementation – Autumn Information Note**

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## 1. INTRODUCTION

The European Commission monitors continuously the implementation of the budget and informs the EP and the Council in the framework of interinstitutional meeting on payments in line with the provisions of the Interinstitutional Agreement<sup>1</sup>.

This Active Monitoring and Forecast of Budget Implementation (“AMFBI”) – Autumn Information Note presents the state of play on payments implementation on 30 September 2020, compares it to the implementation at the same point in time last year, provides the information about the proposed budgetary adjustments and outlines the forecasts for the end of the year. Detailed information on the implementation as on 30 September and forecasts for the end of the year by programme are provided in the Annex.

The implementation of the 2020 EU budget has been impacted by the COVID-19 pandemic and the need to take resolute actions to reinforce EU public health sectors and mitigate the socio-economic impact in the European Union as well as provide assistance to third countries which led to reinforcement of the initial budget of EUR 148,9 billion by EUR 8,0 billion through five Amending Budgets.

By 30 September 2020 implementation of payment appropriations amounted to **EUR 115,8 billion (73,7 % of available appropriations)**. It is EUR 4,7 billion higher in absolute terms than at the same date a year earlier but lower by 3,6% in relative terms. The implementation analysis shows that overall the budget implementation is higher in response to several measures to mitigate the effects of the COVID-19 pandemic especially in heading 4 (Global Europe) and sub-heading 1b (Economic, social and territorial cohesion). A relatively limited slowing down has been experienced by some programmes mainly in sub-heading 1a (Competitiveness for growth and jobs).

This report also provides more detailed information on the implementation of the European Structural and Investment (“ESI”) Funds and the analysis of the updated Member States’ forecasts for Cohesion policy submitted in summer. The financial implementation of the ESI Funds has continued at cruising speed even in the context of the COVID-19 pandemic thanks to the sufficient pipeline of projects and the measures taken by the Commission to support Member States to face the challenges of the economic crisis. A significant reinforcement of the ESI Funds under sub-heading 1b (EUR 5,1 billion) was agreed in Amending Budget (“AB”) 6/2020.

The situation is being closely monitored and adjustments have been proposed in the form of already adopted amending budgets and budgetary transfers, including the Global Transfer (DEC 16/2020) submitted on 2 October. The September update of the forecast revealed that there are additional needs for payment appropriations, mainly to cover all payable claims for the Rural Development programmes (in heading 2, Sustainable growth: Natural Resources) and for frontloaded instruments in heading 4 (Global Europe) as a means to support third countries in the COVID-19 context, which cannot be covered by redeployments. Therefore, the Commission proposed in Draft Amending Budget (“DAB”) 10/2020 on 9 October to increase the payment appropriations by EUR 1,6 billion. Assuming that both the Global transfer and DAB 10 are adopted by the European Parliament and the Council as proposed, the payment appropriations for 2020 should be sufficient to meet all needs until the end of 2020, which would allow to start the new MFF without an abnormal backlog of payments.

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<sup>1</sup> Annex of Interinstitutional Agreement of 2 December 2013 between the EP, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, Part G, point 36; 2013/C 373/01.

This note does not cover the special instruments (Emergency Aid Reserve, European Globalisation Adjustment Fund, EU Solidarity Fund) which are mobilised as needed and for which the mobilisation and thus full implementation cannot be anticipated and is not a goal in itself.

## 2. IMPLEMENTATION OF THE BUDGET 2020

### 2.1. Implementation of payment appropriations at the end of September 2020

This section compares the implementation of payment appropriations by heading on 30 September 2020 and 2019. The following table summarises the results:

*In million EUR*

MFF HEADING	Implementation of 2020 Payments*			Implementation (30 Sep 2019)	
	Available appropriations (30 Sep 2020)	Implementation (30 Sep 2020)		Amount	%
		Amount	%		
1a. Competitiveness for growth and jobs	22 310,8	14 803,8	66,4%	14 130,3	68,9%
1b. Economic, social and territorial cohesion	55 093,0	32 455,2	58,9%	32 189,2	68,4%
2. Sustainable growth: Natural Resources (EAGF)	43 380,0	41 589,2	95,9%	40 957,3	95,0%
2. Sustainable growth: Natural Resources (other)	14 523,9	12 523,3	86,2%	12 157,0	85,1%
3. Security and Citizenship	6 366,4	3 157,4	49,6%	2 127,7	60,3%
4. Global Europe	9 379,6	7 044,6	75,1%	5 471,4	58,4%
5. Administration	6 049,0	4 178,2	69,1%	4 062,2	69,7%
<b>Total</b>	<b>157 102,7</b>	<b>115 751,7</b>	<b>73,7%</b>	<b>111 095,0</b>	<b>77,3%</b>
<b>Total without EAGF and heading 5</b>	<b>107 673,7</b>	<b>69 984,3</b>	<b>65,0%</b>	<b>66 075,6</b>	<b>69,8%</b>

\* excluding assigned revenue

The implementation of payment appropriations reached **EUR 115,8 billion (73,7 % of available appropriations)** on 30 September 2020. In comparison with the implementation at the same time in 2019, **implementation this year is higher in absolute terms by EUR 4,7 billion but is lower by 3,6 % in relative terms**. Excluding the European Agricultural Guarantee Fund (EAGF) and administrative expenditure (heading 5), which are non-differentiated appropriations, the implementation reached EUR 70,0 billion (65,0 % of available appropriations).

As regards the implementation by heading:

- Implementation of sub-heading 1a (Competitiveness for growth and jobs) is higher in absolute terms (EUR 0,7 billion) but lower in relative terms (2,5 % points) than in 2019. Some programmes in this heading experience slow down due to the COVID-19 circumstances and thus the Global transfer proposes a decrease in the level of appropriations.
- For sub-heading 1b (Economic, Social and Territorial Cohesion), the implementation is only slightly higher in absolute terms (EUR 0,3 billion) but lower in relative terms (9,5 % points) than in 2019, mainly due to the significant reinforcement adopted in AB 6/2020 on 17 September. More information about the implementation of the Cohesion policy budget is provided in section 3.
- Implementation of the European Agricultural Guarantee Fund under heading 2 (Sustainable growth: Natural Resources) has further improved in relative terms from 95,0 % to 95,9 %. The implementation of the remaining part of heading 2 is higher in both absolute (EUR 0,4 billion) and relative terms (1,1 % points). A reinforcement is proposed in DAB 10/2020.

- Implementation of payment appropriations in heading 3 (Security and Citizenship) is significantly higher in absolute terms (EUR 1,0 billion) but significantly lower in relative terms (-10,7 % points) than in the previous year. This heading has been reinforced significantly (by 73,0 %) in 2020 in order to directly support the healthcare systems of the EU countries to fight the coronavirus pandemic with the Emergency Support Instrument (ESI) as well as through the “rescEU” capacity under the EU Civil Protection Mechanism. The vast majority of these payments will be made in the last quarter of the year (linked to the advance purchase agreements with vaccines producers).
- Implementation of payment appropriations in heading 4 (Global Europe) has recorded the highest increase as compared to 2019 – EUR 1,6 billion in absolute and 16,7 % points in relative terms. Many programmes under this heading have been reprogrammed to speed up their implementation and the related payments in order to help partner countries deal with the economic, social and health consequences of the COVID-19 crisis. A reinforcement is proposed both in the Global transfer and in DAB10/2020.
- Implementation of payment appropriations in heading 5 (Administration) is comparable to last year.

## 2.2. Adjustments of payment appropriations during the year

The implementation of the 2020 EU budget has been impacted by the COVID-19 pandemic and the need to take resolute actions to reinforce EU public health sectors and mitigate the socio-economic impact in the European Union as well as to provide assistance to third countries. Five amending budgets reinforcing payment appropriations were adopted until the end of September as shown in the table below.

*In million EUR*

MFF HEADING	Implementation of 2020 Payments*							Final Adopted Budget as on 30.09.2020
	Initial Adopted Budget	AB 1/2020	AB 2/2020	AB 4/2020	AB 5/2020	AB 6/2020	TOTAL ABs	
1a. Competitiveness for growth and jobs	22 308,1	-	-	-	-	-	-	22 308,1
1b. Economic, social and territorial cohesion	50 045,8	-	-	-	-	5 100,0	5 100,0	55 145,8
2. Sustainable growth: Natural Resources	57 904,5	-	-	-	-	-	-	57 904,5
3. Security and Citizenship	3 685,2	63,3	1 530,0	-	-	1 090,0	2 683,3	6 368,5
4. Global Europe	8 929,1	15,0	-	-	168,0	-	183,0	9 112,1
5. Administration	6 049,0	-	-	-	-	-	-	6 049,0
<b>Total</b>	<b>148 921,6</b>	<b>78,3</b>	<b>1 530,0</b>	<b>-</b>	<b>168,0</b>	<b>6 190,0</b>	<b>7 966,3</b>	<b>156 887,9</b>
9. Special Instruments	418,5	-	-	272,5**	-	-	272,5**	691,0
<b>GRAND TOTAL</b>	<b>149 340,1</b>	<b>78,3</b>	<b>1 530,0</b>	<b>272,5</b>	<b>168,0</b>	<b>6 190,0</b>	<b>8 238,8</b>	<b>157 578,9</b>

\* excluding assigned revenue

\*\* Mobilisation of the EUSF

Early in September, in the framework of the Global transfer exercise, the Directorates-General revise and update their forecasts of their needs in payments until the end of the year. This exercise aims to ensure maximum implementation of the budget in payment appropriations by matching additional needs with expected under-implementation.

As a result of this year's exercise, the Commission has identified EUR 2,1 billion of additional gross payment needs and about EUR 0,6 billion availabilities. The **Global Transfer (DEC 16/2020)**, presented on 2 October, proposes transfers up to the level of the existing availabilities (**EUR 595,4 million**), corresponding to 0,39 % of the total authorised payments in this year's budget. In total, 101 budget lines are concerned (36 for reinforcement and 65 for reductions).

The Global transfer proposes to transfer availabilities from Heading 1a and 3 to Headings 2 and 4 as follows:

- transfer mainly from: Horizon 2020 (- EUR 159,5 million), Euratom (- EUR 53,6 million), Nuclear decommissioning (- EUR 54,4 million), Completion of energy projects to aid economic recovery (- EUR 27,0 million) and the Union Civil Protection Mechanism (- EUR 60,0 million);
- transferred mainly to: LIFE+ (EUR 40,5 million); the European Neighbourhood Instrument (EUR 255,0 million), the Instrument for Pre-accession assistance (EUR 35,0 million), the Development Cooperation Instrument (EUR 68,0 million) and the Instrument contributing to Stability and Peace (EUR 35,0 million).

The remaining additional payment needs (**EUR 1,6 billion**) have been included in **DAB 10/2020** to reinforce:

- the Competitiveness of enterprises and small and medium-sized enterprises (EUR 93,8 million),
- the Cohesion fund contribution to the Connecting Europe Facility (EUR 100,0 million),
- the European Agricultural Fund for Rural Development (EUR 750 million), the European Agricultural Guarantee Fund – market measures (EUR 48,7 million),
- the Instrument for Pre-accession assistance (EUR 210,0 million),
- the European Neighbourhood Instrument (EUR 286,0 million) and
- the Development Cooperation Instrument (EUR 90,0 million).

A small under-implementation for some heading 1a agencies (EUR 12,2 million in commitment and EUR 9,1 million in payment appropriations) reduces slightly the additional needs.

The Commission also proposed DAB 9/2020 on 9 October, which accompanies the proposal to mobilise the European Union Solidarity Fund (EUSF) to provide assistance to Croatia and Poland in relation to natural disasters and to seven Member States (Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain) in relation to advance payments in response to the major public health emergency caused by the COVID-19 pandemic.

The table below shows the budgetary adjustments proposed in the Global Transfer 2020 and DABs 9/2020 and 10/2020.

In million EUR

MFF HEADING	Implementation of 2020 Payment Appropriations (PA)*						
	Available PA 30 Sep 2020	Proposed Global Transfer (GT) (DEC 16/2020)			DAB 9/2020	DAB 10/2020	Available PA including GT and DAB 9&10
		Increase	Decrease	Net change			
1a. Competitiveness for growth and jobs	22 310,8	66,4	-373,0	-306,6	-	84,7	22 088,8
1b. Economic, social and territorial cohesion	55 093,0	0,0	-0,1	-0,1	-	100,0	55 192,9
2. Sustainable growth: Natural Resources	57 904,0	40,5	0,0	40,5	-	798,7	58 743,1
3. Security and Citizenship	6 366,4	18,3	-77,6	-59,3	-	0,0	6 307,1
4. Global Europe	9 379,6	470,0	-128,0	342,0	-	586,0	10 307,5
5. Administration	6 049,0	0,2	-0,9	-0,7	-	0,0	6 048,3
<b>Total</b>	<b>157 102,7</b>	<b>595,4</b>	<b>-579,7</b>	<b>15,6</b>	<b>-</b>	<b>1 569,3</b>	<b>158 687,7</b>
Special Instruments	436,2	0,0	-15,6	-15,6	734,6	0,0	1 155,2
<b>Grand Total</b>	<b>157 538,9</b>	<b>595,4</b>	<b>-595,4</b>	<b>-0,0</b>	<b>734,6</b>	<b>1 569,3</b>	<b>159 842,8</b>

\* excluding assigned revenue

The Commission continues to monitor the evolution of the payments across all headings and, if and when necessary, will implement autonomous transfers or propose budgetary authority transfers in order to ensure the most efficient budget implementation.

### 2.3. 2020 Payments evolution and payments forecast

The table below presents the forecasts for payment appropriations for the end of December assuming that both the Global transfer and the DAB 10/2020 will be adopted as proposed by the Commission. The Global Transfer balances the identified deficits with surpluses.

In million EUR

MFF HEADING	Implementation of 2020 Payments*				
	Available appropriations (30 Sep 2020)	Implementation (30 Sep 2020)		Implementation forecast ** (end-Dec 2020)	
		Amount	%	Amount	%
1a. Competitiveness for growth and jobs	22 310,8	14 803,8	66,4%	22 088,8	99,0%
1b. Economic, social and territorial cohesion	55 093,0	32 455,2	58,9%	55 192,9	100,2%
2. Sustainable growth: Natural Resources (EAGF)***	43 380,0	41 589,2	95,9%	43 428,7	100,1%
2. Sustainable growth: Natural Resources (other)	14 523,9	12 523,3	86,2%	15 314,4	105,4%
3. Security and Citizenship	6 366,4	3 157,4	49,6%	6 307,1	99,1%
4. Global Europe	9 379,6	7 044,6	75,1%	10 307,7	109,9%
5. Administration	6 049,0	4 178,2	69,1%	6 048,3	100,0%
<b>Total</b>	<b>157 102,7</b>	<b>115 751,7</b>	<b>73,7%</b>	<b>158 687,8</b>	<b>101,0%</b>
<b>Total without EAGF and heading 5</b>	<b>107 673,7</b>	<b>69 984,3</b>	<b>65,0%</b>	<b>109 210,9</b>	<b>101,4%</b>

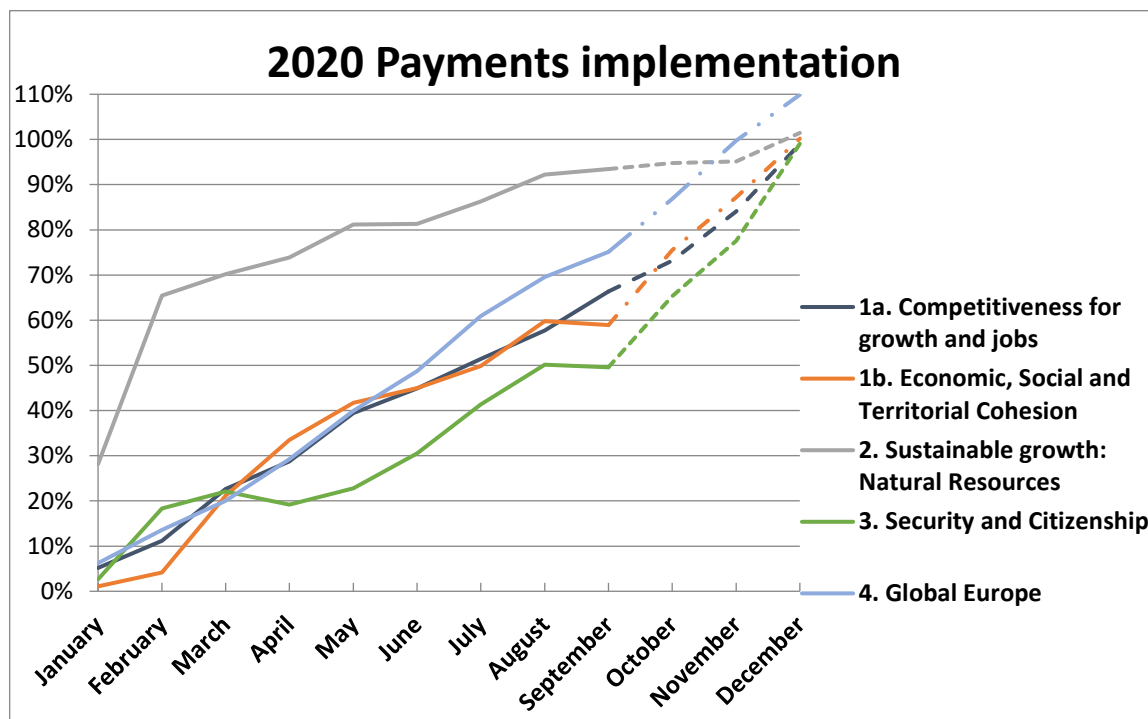
\* excluding assigned revenue

\*\* implementation forecast > 100% means there would be a deficit of appropriations,

forecast < 100% means there would be a surplus of appropriations.

\*\*\* EAGF amounts include EUR 478 million for the crisis reserve which, as usual, will not be executed in 2020 but carried over to the next year and the corresponding C2 credits will be executed then

The following graph shows the 2020 evolution of payments execution up to September and forecast for the remaining months.



All headings, with the exception of heading 2 where the implementation on 30 September is at 93,5 %, should experience an acceleration of payments in the remaining months of the year.



### 3. IMPLEMENTATION OF THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS<sup>2</sup>

The financial implementation of the ESI Funds has continued at cruising speed even in the context of the COVID19 pandemic thanks to the sufficient pipeline of projects and the measures taken by the Commission to support Member States to face the challenges of the economic crisis.

As of 30 September, the cumulative net financial implementation of the ESI Funds stands at 50 % of the total allocation for 2014-2020 compared to 40 % at end-2019.

As regards the 2020 budget implementation, the situation varies between the different ESI Funds. The budget implementation of the Cohesion policy funds stands currently at 65 % of the initial voted budget<sup>3</sup>, while for the European Agricultural Fund for Rural Development (EAFRD) it is 89 % and for the European Maritime and Fisheries Fund (EMFF) it is 68 %.

#### *Cohesion policy*

The revised Member States' payment forecasts for Cohesion policy, submitted in July, showed a significant increase of the payment needs for 2020. The increase stems from the flexibilities offered by the Coronavirus Response Investment Initiative Plus (CRII+), and notably the temporary possibility for Member States to request 100 % EU co-financing for the payment claims of the Cohesion programmes.

The Commission performed an in-depth analysis of the Member State forecasts at the level of each programme and proposed a reinforcement of EUR 5,1 billion in payment appropriations through a draft amending budget<sup>4</sup>, in order to cover all expected payable payment applications to be paid in 2020.

Availabilities 2020				Needs 2020				EUR billion
(a)	(b)	(c)=(a)+(b)		(d)	(e)	(f)	(g)=(d)+(e)-(f)	(h)=(g)-(c)
Budget 2020 for Interim payments	Assigned revenue available*	Total available appropriations for Interim payments	<i>Gross forecast as submitted by Member States</i>	Corrected payable forecasts 2020**	End-2019 backlog	End-2020 estimated backlog***	Total interim payment needs in 2020	Reinforcement needed
38,4	2,6	41,0	57,0	48,1	3,8	5,8	46,1	5,1

\* Amount carried over automatically from 2019; no assigned revenue generated in 2020 (as foreseen in the CRII)

\*\* The gross amount submitted by Member States has been adjusted to take into account the 10 % retention set in Art. 130 of Regulation (EU) 1303/2013 and the error rate applied to the forecasts

\*\*\* Normal backlog of claims arriving too late in the year to be reimbursed

By the 30 September 2020, Member States have sent in claims for a total of EUR 25,3 billion, which represents 44,4 % of their July gross forecasts for 2020 (EUR 57 billion). In line with historical trends, the bulk of payment claims are expected in the last months of the year.

<sup>2</sup> The Commission has already presented the main elements of this chapter in its 'pre-AMFBI' note accompanying DAB 8 and at the occasion of the Interinstitutional Meeting on Payments of 22 September. The chapter is a summary of all these elements, with the implementation figures updated as of 30 September.

<sup>3</sup> Before AB 6/2020.

<sup>4</sup> DAB 8/2020, adopted by the budgetary authority as AB 6/2020 on 17 September.

## Evolution of the Member States' forecasts for 2020

*In EUR billion*

	<b>Cohesion policy Payment forecast for 2020</b>			
	January 2019 submission	July 2019 submission	January 2020 submission	<b>July 2020 submission*</b>
Gross Forecast as submitted by MS	52,9	53,5	51,5	<b>57,0</b>
Forecast adjusted by 10% retention	47,6	48,2	46,4	<b>51,3</b>

\*Data as of 07/08/2020

The acceleration of payments due to the CRII and CRII+ more than compensates the impact of the slow-down in implementation on the ground due to the lockdown measures imposed in many Member States, leading to a significant increase by more than 10 % of the forecast compared to the January 2020 submission. As of 30 September 2020, 132 programmes, covering half of the cohesion policy envelope, have opted for the 100 % EU co-financing rate. This has already led to the disbursement of an additional EUR 1 billion from the EU budget to these programmes, based on actual payment claims for which the 100% EU co-financing rate is applied. The effect of this measure will be increasing in the following weeks and months, as requests keep coming, in line with the latest Member States' forecasts and Commission's expectations presented in AB 6/2020.

The analysis of the forecast by Member State shows that there are significant variations compared to the January submission especially for those programmes that have opted or intend to opt for the 100% EU co-financing in the accounting year 2020-2021. Sixteen Member States increase their payment needs for a total of EUR 6,6 billion, while eleven Member States reduce their estimates for applications to be submitted before year-end<sup>5</sup>.

Member States currently forecast to submit around 37 % of their claims (corresponding to more than EUR 21 billion) in the last two months of 2020, compared to the 34 % forecast in January. Based on the experience from previous years, the Commission considers that a normal backlog of around EUR 5,8 billion (representing 12 % of the payable claimed amount) will be observed at the end of 2020 (with claims arriving too late to be paid this year).

### *Outlook for 2021*

The rate of project selection has increased from 62,0 % of the total 2014-2020 commitments in July 2018 to 97,3 % in July 2020. In spite of the time-lag between the selection of projects and the actual claims submitted, project selection remains an important indicator of the overall progress on the ground.

The analysis of recent Member States' forecasts points to an important impact of the CRII and CRII+ on the implementation of the programmes. The updated summer forecasts for 2021 show a significant overall increase of EUR 6,3 billion compared to the January submission (increase from EUR 56,2 billion to EUR 62,5 billion), with most of the Member States estimating increased needs. This can be correlated with the data submitted for 2020:

- Those Member States which have opted for the 100 % EU co-financing show increases also in 2021 since the accounting year will also cover the first 6 months of 2021.

<sup>5</sup> The evolution per Member State is provided in Annex 2.

- For some Member States, the delays in the certification of expenditure in 2020 due to lockdown measures mean that the payment applications will come in 2021.

The increase in the 2021 forecast is fully consistent with the assumptions made by the Commission when presenting the CRII+ proposal and with the amounts foreseen in Draft Budget 2021 (EUR 6,1 billion).

### Evolution of the Member States' forecasts for 2021

*in EUR billion*

Period 2014-2020	Cohesion policy Payment forecast for 2021	
	January 2020 submission	July 2020 submission*
Gross Forecast as submitted by MS	56,2	<b>62,5</b>
Forecast adjusted by 10% retention	50,6	<b>56,3</b>

\*Data as of 07/08/2020

#### *Additional payment needs for EAFRD and CEF-CF*

As a result of the Global transfer and forecast exercises, additional needs for payment appropriations were identified and included in DAB 10/2020 for the rural development programmes (EAFRD) and the Cohesion strand of Connecting Europe facility for Transport (CEF-CF).

The revised Member States' forecasts for the **rural development** programmes were submitted one month later than the Cohesion ones (i.e. at end of August) in line with the regulatory deadlines and therefore could not be included in DAB 8/2020 proposed at the end of August.

Similarly as for Cohesion, the forecasts include the estimated impact of the COVID-19 related measures which for the EAFRD consist of the lump-sum payment to farmers and food processing SMEs based on the finally agreed 2 % maximum share of the Union contribution, as opposed to the 1 % initially proposed by the Commission. Some Member States have in fact already used this possibility and introduced the new EAFRD measure in their rural development programmes and others are expected to follow.

The revised Member States' forecasts for **rural development** taking on board the estimated reimbursement of the COVID-19 related measure in 2020 translate in a shortage of payment appropriations estimated at EUR 750 million.

As regards the **CEF-CF**, the 2020 budget implementation is progressing faster than expected and currently stands at 77 % meaning that the payment needs for the rest of the year exceed the current availabilities.

Beneficiaries have an obligation to submit an interim payment claim every two years and have the possibility to submit a "voluntary" interim payment claim every year. In 2020, several large beneficiaries used this flexibility and submitted more interim payment claims than the average pattern observed in previous years.

The Commission performed an action-by-action analysis of the payments needs and current budget availabilities, taking into account a redeployment of available payment appropriations within the chapter CEF Transport, and considers that a reinforcement of EUR 100 million in payment appropriations is needed in order to respect the payment deadlines and honour all legal obligations.

#### 4. INTERESTS FOR LATE PAYMENTS

The following table shows the interests for late payments paid by September 2020 in comparison with the levels at the same time of the year in the last five years.

*In EUR*

<b>MFF HEADING</b>	<b>22-09-2015</b>	<b>22-09-2016</b>	<b>22-09-2017</b>	<b>22-09-2018</b>	<b>22-09-2019</b>	<b>22-09-2020</b>
1a. Competitiveness for growth and jobs	810 154	38 196	58 763	38 635	39 095	39 741
1b. Economic, social and territorial cohesion	0	15 538	1 009	1 563	1 392	980
2. Sustainable growth: Natural Resources	16 431	5 652	5 327	26 238	5 865	11 060
3. Security and Citizenship	2 501	26 899	19 337	33 012	16 131	11 384
4. Global Europe	1 082 579	288 736	509 509	162 569	210 418	121 717
Other	8 423	20 931	8 267	15 092	22 680	54 876
<b>Total</b>	<b>1 920 088</b>	<b>395 951</b>	<b>602 211</b>	<b>277 109</b>	<b>295 582</b>	<b>239 757</b>

Interests for late payments paid in September 2020 reached the lowest level since 2015. They were respectively 19 % and 88 % lower than at the same point in 2019 and 2015.

As in previous years, the highest share of all the interest paid is observed in heading 4. They counted for 51 % of all interests in 2020 but are at the lowest level since 2015. The projects and programmes under this heading are implemented via diverse modalities and in context of crisis which often has an impact on the normal execution of contracts and leads to delays in the treatment of the reporting and consequently in payments. Small increases in other headings can be attributed to difficulties linked to the COVID-19 working arrangements.

## ANNEX 1: PAYMENTS IMPLEMENTATION AND FORECAST<sup>6</sup>

*In EUR million*

Description	Payment appropriations (C1)	Implementation at 30/09/2020		Forecast end of December 2020		Implementation at 30/09/2019		
		Payments made (C1)	%	Amount	%	Payment appropriations (C1)	Payments made (C1)	%

### 1. Smart and inclusive growth

#### 1.1. Competitiveness for growth and jobs

1.1.10	European Fund for Strategic Investments (EFSI)	1 105,2	1 088,6	98,5%	1 102,8	99,8%	1 022,3	1 005,9	98,4%
1.1.11	European satellite navigation systems (EGNOS and Galileo)	969,5	801,1	82,6%	969,5	100,0%	920,6	630,1	68,4%
1.1.12	International Thermonuclear Experimental Reactor (ITER)	638,7	410,8	64,3%	638,7	100,0%	591,6	357,5	60,4%
1.1.13	European Earth Observation Programme (Copernicus)	552,0	315,6	57,2%	552,0	100,0%	602,4	374,3	62,1%
1.1.14	European Solidarity Corps (ESC)	153,9	112,4	73,0%	153,9	100,0%	119,6	93,7	78,4%
1.1.15	European Defense Industrial Development Programme	200,5	0,3	0,2%	179,8	89,7%	136,8	0,0	0,0%
1.1.2	Nuclear Safety and Decommissioning	171,4	49,5	28,9%	117,0	68,3%	158,1	73,3	46,4%
1.1.31	Horizon 2020	11 791,2	7 950,5	67,4%	11 631,7	98,6%	11 001,0	7 516,7	68,3%
1.1.32	Euratom Research and Training Programme	399,2	151,5	38,0%	345,7	86,6%	370,0	180,5	48,8%
1.1.4	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	385,2	346,3	89,9%	479,0	124,4%	268,5	202,1	75,3%
1.1.5	Education, Training and Sport (Erasmus+)	2 722,8	1 858,0	68,2%	2 722,8	100,0%	2 561,8	1 999,7	78,1%
1.1.6	Employment and Social Innovation (EaSI)	98,3	65,1	66,2%	98,3	100,0%	118,4	73,2	61,9%
1.1.7	Customs, Fiscalis and Anti-Fraud	123,9	103,6	83,6%	144,7	116,8%	134,5	87,8	65,3%
1.1.81	Connecting Europe Facility (CEF) - Energy	419,7	220,0	52,4%	389,6	92,8%	326,8	259,0	79,3%
1.1.82	Connecting Europe Facility (CEF) - Transport	1 476,9	616,2	41,7%	1 511,7	102,4%	1 220,8	663,1	54,3%
1.1.83	Connecting Europe Facility (CEF) - Information and Communications Technology (ICT)	227,5	116,6	51,2%	227,5	100,0%	151,6	88,6	58,4%

<sup>6</sup> Excluding assigned revenue.

Description		Payment appropriations (C1)	Implementation at 30/09/2020		Forecast end of December 2020		Implementation at 30/09/2019		
			Payments made (C1)	%	Amount	%	Payment appropriations (C1)	Payments made (C1)	%
1.1.9	Energy projects to aid economic recovery (EERP)	60,0	23,2	38,6%	33,0	55,0%	61,0	0,0	0,0%
1.1.DAG	Decentralised agencies	401,3	320,4	79,8%	391,0	97,4%	380,0	283,3	74,6%
1.1.OTH	Other actions and programmes	184,2	119,2	64,7%	180,0	97,8%	165,9	113,9	68,7%
1.1.PPPA	Pilot projects and preparatory actions	103,4	50,5	48,8%	96,5	93,4%	90,8	47,5	52,3%
1.1.SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	126,2	84,4	66,9%	123,8	98,1%	116,9	80,0	68,4%
<b>Total 1.1. Competitiveness for growth and jobs</b>		<b>22 310,8</b>	<b>14 803,8</b>	<b>66,4%</b>	<b>22 088,8</b>	<b>99,0%</b>	<b>20 519,2</b>	<b>14 130,3</b>	<b>68,9%</b>

1.2. Economic, social and territorial cohesion

1.2.11	Regional convergence (Less developed regions)	28 013,1	17 189,6	61,4%	28 013,0	100,0%	24 038,6	16 744,0	69,7%
1.2.12	Transition regions	5 280,6	2 608,4	49,4%	5 280,6	100,0%	4 370,1	2 679,1	61,3%
1.2.13	Competitiveness (More developed regions)	8 519,8	4 612,9	54,1%	8 519,8	100,0%	7 427,4	4 779,3	64,3%
1.2.14	Outermost and sparsely populated regions	222,0	188,5	84,9%	222,0	100,0%	176,4	145,0	82,2%
1.2.15	Cohesion fund	9 138,9	5 417,8	59,3%	9 138,9	100,0%	7 720,5	5 420,0	70,2%
1.2.2	European territorial cooperation	1 403,3	955,4	68,1%	1 403,3	100,0%	1 190,5	1 004,6	84,4%
1.2.31	Technical assistance	238,9	120,8	50,6%	238,9	100,0%	209,0	87,3	41,7%
1.2.4	European Aid to the Most Deprived (FEAD)	481,2	232,7	48,4%	481,1	100,0%	401,2	249,5	62,2%
1.2.5	Youth Employment initiative (specific top-up allocation)	671,4	259,1	38,6%	671,4	100,0%	631,5	422,4	66,9%
1.2.6	Contribution to the Connecting Europe Facility (CEF)	1 113,5	867,4	77,9%	1 213,5	109,0%	853,6	652,2	76,4%
1.2.PPPA	Pilot projects and preparatory actions	10,4	2,6	25,3%	10,3	99,5%	12,3	5,8	47,2%
<b>Total 1.2. Economic, social and territorial cohesion</b>		<b>55 093,0</b>	<b>32 455,2</b>	<b>58,9%</b>	<b>55 192,9</b>	<b>100,2%</b>	<b>47 031,1</b>	<b>32 189,2</b>	<b>68,4%</b>

Description	Payment appropriations (C1)	Implementation at 30/09/2020		Forecast end of December 2020		Implementation at 30/09/2019			
		Payments made (C1)	%	Amount	%	Payment appropriations (C1)	Payments made (C1)	%	
<b>2. Sustainable growth: natural resources</b>									
2.0.10	European Agricultural Guarantee Fund (EAGF) - Market related expenditure and direct payments <sup>7</sup>	43 380,0	41 589,2	95,9%	43 428,7	100,1%	43 116,4	40 957,3	95,0%
2.0.20	European Agricultural Fund for Rural Development (EAFRD)	13 141,2	11 629,9	88,5%	13 891,2	105,7%	13 148,2	11 271,4	85,7%
2.0.31	European Maritime and Fisheries Fund (EMFF)	769,8	519,0	67,4%	769,8	100,0%	570,7	549,3	96,2%
2.0.32	Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and to other international organisations	142,5	42,5	29,8%	142,5	100,0%	142,1	64,2	45,2%
2.0.4	Environment and climate action (LIFE)	386,9	272,2	70,3%	427,4	110,5%	346,7	221,5	63,9%
2.0.DAG	Decentralised agencies	67,9	55,5	81,8%	67,9	100,0%	59,2	47,0	79,4%
2.0.PPPA	Pilot projects and preparatory actions	15,6	4,3	27,3%	15,6	100,0%	12,8	3,5	26,9%
2.0.SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	0,0	0,0				0,2	0,2	99,5%
<b>Total 2. Sustainable growth: natural resources</b>		<b>57 904,0</b>	<b>54 112,5</b>	<b>93,5%</b>	<b>58 743,1</b>	<b>101,4%</b>	<b>57 396,3</b>	<b>53 114,3</b>	<b>92,5%</b>

**3. Security and citizenship**

3.0.1	Asylum, Migration and Integration Fund (AMF)	952,2	859,2	90,2%	952,2	100,0%	955,6	679,0	71,1%
3.0.10	Consumer	27,4	17,6	64,3%	28,1	102,6%	23,6	13,0	55,1%
3.0.11	Creative Europe	212,9	126,8	59,5%	212,9	100,0%	194,8	114,2	58,6%
3.0.12	Instrument for Emergency Support within the Union (IES)	2 610,0	564,3	21,6%	2 610,0	100,0%	69,5	56,7	81,5%
3.0.2	Internal Security Fund	530,7	424,9	80,1%	530,7	100,0%	663,7	421,3	63,5%
3.0.4	Justice	42,8	23,2	54,3%	52,8	123,4%	38,1	21,9	57,3%
3.0.5	Rights, Equality and Citizenship	69,9	38,9	55,7%	77,5	110,9%	58,0	38,5	66,4%

<sup>7</sup> EAGF amounts include EUR 478 million for the crisis reserve which, as usual, will not be executed in 2020 but carried over to the next year and the corresponding C2 credits will be executed then.

Description		Payment appropriations (C1)	Implementation at 30/09/2020		Forecast end of December 2020		Implementation at 30/09/2019		
			Payments made (C1)	%	Amount	%	Payment appropriations (C1)	Payments made (C1)	%
3.0.6	Union Civil protection Mechanism	252,0	79,1	31,4%	192,0	76,2%	81,7	24,2	29,6%
3.0.7	Europe for Citizens	29,5	22,8	77,5%	25,3	85,8%	29,2	19,5	66,6%
3.0.8	Food and feed	216,8	110,2	50,8%	216,8	100,0%	241,7	88,4	36,6%
3.0.9	Health	87,1	35,2	40,4%	87,1	100,0%	63,6	38,8	60,9%
3.0.DAG	Decentralised agencies	1 211,3	783,1	64,6%	1 211,3	100,0%	993,9	537,7	54,1%
3.0.PPPA	Pilot projects and preparatory actions	19,1	8,1	42,2%	18,8	98,2%	17,5	4,5	25,4%
3.0.SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	104,6	63,9	61,1%	91,5	87,5%	100,1	70,2	70,2%
<b>Total 3. Security and citizenship</b>		<b>6 366,4</b>	<b>3 157,4</b>	<b>49,6%</b>	<b>6 307,1</b>	<b>99,1%</b>	<b>3 531,1</b>	<b>2 127,7</b>	<b>60,3%</b>

#### 4. Global Europe

4.0.1	Instrument for Pre-accession assistance (IPA II)	1 434,8	953,1	66,4%	1 679,8	117,1%	1 561,9	793,7	50,8%
4.0.10	Macro-financial Assistance (MFA)	27,0	10,3	38,1%	15,7	58,1%	27,0	0,3	1,1%
4.0.11	Guarantee Fund for External Actions	233,4	233,4	100,0%	233,4	100,0%	0,0	0,0	
4.0.12	Union Civil Protection Mechanism	71,5	7,2	10,1%	71,5	100,0%	20,7	3,2	15,5%
4.0.13	EU Aid Volunteers initiative (EUAV)	18,8	4,1	21,6%	18,8	99,8%	16,1	4,9	30,3%
4.0.14	European Fund for Sustainable Development (EFSD)	25,0	25,0	100,0%	25,0	100,0%	25,0	25,0	100,0%
4.0.2	European Neighbourhood Instrument (ENI)	2 066,5	1 652,2	80,0%	2 607,5	126,2%	2 059,8	1 184,3	57,5%
4.0.3	Development Cooperation Instrument (DCI)	2 798,4	1 886,7	67,4%	2 957,5	105,7%	2 785,8	1 494,6	53,7%
4.0.4	Partnership Instrument (PI)	132,9	100,7	75,8%	135,9	102,3%	117,6	96,4	81,9%
4.0.5	European Instrument for Democracy and Human Rights (EIDHR)	172,7	107,9	62,4%	151,2	87,5%	168,0	104,6	62,2%
4.0.6	Instrument contributing to Stability and Peace (IcSP)	349,5	273,1	78,1%	384,5	110,0%	303,4	207,7	68,4%
4.0.7	Humanitarian aid	1 493,5	1 392,7	93,3%	1 493,5	100,0%	1 730,9	1 195,3	69,1%
4.0.8	Common Foreign and Security Policy (CFSP)	328,7	279,9	85,2%	328,7	100,0%	321,3	246,9	76,9%
4.0.9	Instrument for Nuclear Safety Cooperation (INSC)	32,7	8,0	24,6%	20,7	63,3%	41,5	11,0	26,6%



Description		Payment appropriations (C1)	Implementation at 30/09/2020		Forecast end of December 2020		Implementation at 30/09/2019		
			Payments made (C1)	%	Amount	%	Payment appropriations (C1)	Payments made (C1)	%
4.0.DAG	Decentralised agencies	20,9	20,4	97,3%	20,9	100,0%	20,5	15,1	73,9%
4.0.OTH	Other actions and programmes	89,4	40,8	45,6%	87,7	98,0%	79,9	35,4	44,3%
4.0.PPPA	Pilot projects and preparatory actions	3,8	2,8	73,2%	3,7	96,6%	7,8	4,1	53,1%
4.0.SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	79,9	46,3	57,9%	71,7	89,7%	78,2	48,9	62,5%
<b>Total 4. Global Europe</b>		<b>9 379,6</b>	<b>7 044,6</b>	<b>75,1%</b>	<b>10 307,7</b>	<b>109,9%</b>	<b>9 365,2</b>	<b>5 471,4</b>	<b>58,4%</b>

#### 5. Administration

5.1.1	Pensions	2 123,0	1 549,0	73,0%	2 123,0	100,0%	2 003,6	1 467,3	73,2%
5.1.23	European schools	192,0	159,7	83,2%	192,0	100,0%	191,2	156,4	81,8%
5.2.3PPPA	Pilot projects and preparatory actions	3,0	2,5	82,6%	3,2	106,2%	5,6	2,3	41,0%
5.2.3X	Commission administrative expenditure	3 731,0	2 467,1	66,1%	3 730,1	100,0%	3 628,6	2 436,2	67,1%
<b>Total 5. Administration</b>		<b>6 049,0</b>	<b>4 178,2</b>	<b>69,1%</b>	<b>6 048,3</b>	<b>100,0%</b>	<b>5 829,1</b>	<b>4 062,2</b>	<b>69,7%</b>

<b>Grand total</b>		<b>157 102,7</b>	<b>115 751,7</b>	<b>73,7%</b>	<b>158 687,8</b>	<b>101,0%</b>	<b>143 672,0</b>	<b>111 095,0</b>	<b>77,3%</b>
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**ANNEX 2 – MEMBER STATES’ PAYMENT FORECASTS FOR COHESION POLICY (2020 AND 2021)**

**Evolution of the forecasts for 2020 by Member State**

2014-2020 programmes		Gross Forecasts for year 2020		
		January 2020 submission	July 2020 submission	Difference
AT	Austria	0.16	0.19	0.03
BE	Belgium	0.34	0.32	-0.01
BG	Bulgaria	1.10	1.08	-0.02
CY	Cyprus	0.08	0.14	0.06
CZ	Czech Republic	3.26	3.52	0.26
DE	Germany	2.79	2.50	-0.29
DK	Denmark	0.08	0.04	-0.04
EE	Estonia	0.59	0.51	-0.09
ES	Spain	5.29	4.93	-0.36
FI	Finland	0.21	0.20	-0.01
FR	France	2.19	2.28	0.09
GR	Greece	2.33	4.46	2.13
HR	Croatia	1.03	1.01	-0.02
HU	Hungary	2.42	3.35	0.93
IE	Ireland	0.25	0.30	0.05
IT	Italy	4.09	5.23	1.13
LT	Lithuania	1.34	1.58	0.24
LU	Luxemburg	0.01	0.01	-0.01
LV	Latvia	0.48	0.57	0.09
MT	Malta	0.12	0.12	0.00
NL	Netherlands	0.13	0.15	0.01
PL	Poland	12.04	12.44	0.40
PT	Portugal	3.17	3.59	0.41
RO	Romania	2.24	2.36	0.11
SE	Sweden	0.16	0.17	0.01
SI	Slovenia	0.60	0.54	-0.05
SK	Slovakia	1.39	2.02	0.64
UK	United Kingdom	1.70	1.55	-0.15
TC	Territorial Cooperation	1.84	1.79	-0.05
<b>TOTAL</b>		<b>51.48</b>	<b>56.95</b>	<b>5.47</b>

### Evolution of the forecasts for 2021 by Member State

2014-2020 programmes		Gross Forecasts for year 2021		
		January 2020 submission	July 2020 submission	Difference
AT	Austria	0.17	0.19	0.02
BE	Belgium	0.30	0.32	0.02
BG	Bulgaria	1.09	1.18	0.10
CY	Cyprus	0.09	0.15	0.06
CZ	Czech Republic	3.23	3.24	0.01
DE	Germany	2.66	2.86	0.21
DK	Denmark	0.08	0.06	-0.02
EE	Estonia	0.65	0.62	-0.03
ES	Spain	5.28	7.26	1.98
FI	Finland	0.19	0.22	0.03
FR	France	2.57	2.62	0.05
GR	Greece	3.01	3.61	0.60
HR	Croatia	1.24	1.27	0.03
HU	Hungary	2.98	3.07	0.09
IE	Ireland	0.17	0.24	0.07
IT	Italy	4.74	5.64	0.89
LT	Lithuania	0.95	1.09	0.14
LU	Luxembourg	0.01	0.01	0.00
LV	Latvia	0.61	0.60	-0.01
MT	Malta	0.10	0.10	0.00
NL	Netherlands	0.16	0.16	0.00
PL	Poland	12.64	13.05	0.41
PT	Portugal	3.39	3.84	0.45
RO	Romania	4.26	4.18	-0.08
SE	Sweden	0.26	0.21	-0.05
SI	Slovenia	0.50	0.65	0.15
SK	Slovakia	2.00	2.42	0.42
UK	United Kingdom	1.11	1.78	0.67
TC	Territorial Cooperation	1.72	1.90	0.18
<b>TOTAL</b>		<b>56.16</b>	<b>62.51</b>	<b>6.36</b>