

Active Monitoring and Forecast of Budget Implementation – Autumn Information Note

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1. INTRODUCTION

In line with the provision of the Interinstitutional Agreement¹, the Institutions shall meet regularly during the budgetary procedure to assess jointly the state of play and the outlook for budgetary implementation.

This Active Monitoring and Forecast of Budget Implementation (“AMFBI”) – Autumn Information Note presents the state of play on payments implementation of the voted Budget (the amounts carried over or reconstituted from the 2020 budget and assigned revenue are excluded) on 15 September 2021 and outlines the forecasts for the end of the year, including the proposed budgetary adjustments. The 2021 budget is reinforced by additional funding from NextGenerationEU. The non-repayable part of NextGenerationEU constitutes external assigned revenue entered on the relevant budget lines and is subject to separate reporting.

The 2021 EU budget is the first one under the new 7-year multiannual financial framework (MFF)². Late adoption of the MFF Regulation (December 2020) led to the adoption of the legal acts of the new generation of programmes only in the course of the year. This has affected budget implementation in 2021, delaying the start of the activities of many programmes and implementation steps (calls, selections, contracting) and consequently payments. Moreover, the continued particular circumstances caused by the COVID-19 pandemic have had a significant impact also on the completion of the pre-2021 programmes and instruments across the EU budget. In the course of 2020 and 2021, the overall COVID-19 context required an extension of the implementation periods, which in turn also delayed the payments. The combination of these two elements resulted in a significant surplus of payment appropriations for many programmes, mainly in direct and indirect management.

On the other hand, some other programmes progressed without delays and the financial implementation of the cohesion policy funds has continued to accelerate. After the excellent results in 2020, implementation of the cohesion policy funds is set to reach another peak in 2021, also as a result of COVID-19 measures such as the Coronavirus Response Investment Initiative (CRII)³ and CRII+⁴.

Moreover, new initiatives require additional appropriations. As the availabilities and needs are balanced, the adoption of both the Global Transfer (DEC 20/2021) and the Draft Amending Budget 6/2021 would ensure full implementation of the budget in payments at the end of the year.

¹ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources, OJ L 433I, 22.12.2020, p. 28., Annex I, part G, point 37.

² Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027.

³ Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative), OJ L 99, 31.3.2020, p. 5.

⁴ Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak, OJ L 130, 24.4.2020, p. 1.

This report provides also more detailed information on the implementation of the cohesion Policy funds and the analysis of the updated Member States and UK's forecasts for 2021 and 2022.

The special instruments provided for in chapter 3 of the MFF Regulation (i.e. the EU Solidarity Fund, the European Globalisation Adjustment Fund, the Solidarity and Emergency Aid Reserve and the Flexibility Instrument) allow the EU to respond swiftly to unforeseen circumstances and emergencies and are, therefore, only mobilised as needed. In this context, full implementation of the special instruments is not a goal in itself and they are excluded from the detailed overview tables.

2. IMPLEMENTATION OF THE BUDGET 2021

2.1. Implementation of 2021 payment appropriations by 15 September 2021

The following table provides a breakdown of the implementation of 2021 payment appropriations as on 15 September 2021.

In million EUR

MFF HEADING	Implementation of 2021 Payments*		
	Available Appropriations	Implementation 15/09/2021	
		Amount	%
Heading 1. Single Market, Innovation and Digital	17 191,9	10 959,2	63,7%
Heading 2.1. Economic, social and territorial cohesion	61 863,9	49 281,6	79,7%
Heading 2.2. Resilience and values	4 584,5	2 670,1	58,2%
Heading 3. Natural Resources and Environment	56 806,1	50 805,3	89,4%
Heading 4. Migration and Border Management	2 686,2	1 748,1	65,1%
Heading 5. Security and Defence	705,2	296,3	42,0%
Heading 6. Neighbourhood and the World	11 115,0	6 057,1	54,5%
Heading 7. European Public Administration	6 137,1	4 069,7	66,3%
Total	161 090,1	125 887,4	78,1%

* excluding assigned revenue

The implementation of payment appropriations reached **EUR 125,9 billion (78,1 % of available appropriations)** on 15 September 2021. In comparison with the implementation at the same time in 2020, implementation this year is higher by 3,8 percentage points.

2.2. 2021 Payments evolution and payments forecast

In the course of 2021, the Commission has proposed adjustments to the adopted budget. Amending Budget 1/2021, tabled as Draft Amending Budget (DAB) 2/2021 added some EUR 210 million in payment appropriations⁵ for the COVID-19 response in 2021 and in addition allowed for the ‘technical’ adjustments following the MFF agreement reached in December 2020. DAB 1/2021, adopted as Amending Budget 3/2021 allowed budgeting of the pre-financing payments under the Brexit Adjustment Reserve and increased the budget by EUR 1,7 billion.

As regards the forecast of the implementation until the end of the year, an under implementation of some programmes was already foreseen in spring as reported in Working Document V attached to the Draft Budget 2022⁶. At that time, it was still difficult to estimate the potential impact of delays in the adoption of legal bases on the implementation of 2021 payments. The revision of the forecast provided by all Directorates-General and executive agencies at the beginning of September, confirmed the delays stemming from the late adoption of basic acts and the remaining legal acts⁷ and clarified that the start of programme implementation – and thus payments - is somewhat slower than expected in spring. Moreover, the COVID-19 pandemic continues to slow down the implementation of various actions and completion of programmes under the previous MFF. Many payments initially foreseen in 2021 have been postponed to 2022, mainly because call deadlines were extended, numerous grants were extended too and projects’ starting dates were postponed upon the applicants’ requests. Those

⁵ Commission section, headings 1-7.

⁶ COM(2021) 300

⁷ Such as work programmes, delegated acts, implementing regulation, financing agreements, etc.

elements subsequently led to a rescheduling of the projects' milestones (such as the submission of reports) and therefore postponed the related payments, pushing a part of the latter initially foreseen in 2021 to 2022. In some cases, the impact of the COVID-19 crisis was visible on the level of the costs incurred in 2020 and 2021: the reports submitted by the beneficiaries indicate a change in the spending profile, leading to less cost incurred in 2020 and 2021 compared to the initial forecasts.

The Commission has carefully assessed the possible under-implementation of some programmes and instruments and the requested reinforcements of other programmes and instruments, and has proposed a mix of budgetary instruments in order to ensure the most efficient implementation of the budget.

The Global Transfer (DEC 20/2021) was presented on 30 September as a means to ensure maximum implementation of the budget in payment appropriations by matching expected under-implementation with identified shortfall of payments. The Global Transfer proposal for 2021 provides for payment appropriations amounting to EUR 2,4 billion, corresponding to 1,5 % of the total authorised payments in the 2021 budget. In total 117 lines are concerned, of which 108 for reduction and 9 for reinforcement.

DAB 6/2021 presented on 8 October provides additional financing to provide the low and lower-middle income countries with 200 million doses of vaccines. Thanks to the availability in other programmes, this additional need can be financed without increasing the overall level of payment appropriations in the 2021 budget.

Moreover, some autonomous transfers as well as additional transfers for decision of the budgetary authority will complete the mix to optimise the use of available payment appropriations.

The table below presents the forecasts for implementation of payment appropriations for the end of December 2021. The rebalancing of needs and availabilities is proposed in the Global Transfer and the Draft Amending Budget 6/2021. Assuming both proposals will be adopted as proposed by the Commission, payment appropriations will be fully implemented.

Information on the implementation level as on 15 September and forecast for year-end implementation by programme within each MFF heading are provided in Annex 1.

MFF HEADING	Implementation of 2021 Payments*					
	Available appropriations	Implementation 15/09/2021		Forecast end of December**		
		Amount	%	Amount	% ***	Surplus / shortfall
1. Single Market, Innovation and Digital	17 191,9	10 959,2	63,7%	16 741,6	97,4%	450,3
2.1. Economic, social and territorial cohesion	61 863,9	49 281,6	79,7%	63 120,4	102,0%	-1 256,5
2.2. Resilience and values	4 584,5	2 670,1	58,2%	4 041,2	88,1%	543,3
3. Natural Resources and Environment	56 806,1	50 805,3	89,4%	56 084,6	98,7%	721,5
4. Migration and Border Management	2 686,2	1 748,1	65,1%	2 602,9	96,9%	83,3
5. Security and Defence	705,2	296,3	42,0%	737,2	104,5%	-32,0
6. Neighbourhood and the World	11 115,0	6 057,1	54,5%	11 635,3	104,7%	-520,2
7. European Public Administration	6 137,1	4 069,7	66,3%	6 137,1	100,0%	-0,1
Total	161 090,1	125 887,4	78,1%	161 100,4	100,0%	-10,3

* excluding assigned revenue

** The appropriations expected to be carried over to the following financial year in accordance with article 12 of the Financial Regulation and relevant basic acts are considered as implemented.

*** implementation forecast:

> 100% means there would be a deficit of appropriations, < 100% means there would be a surplus of appropriations.

The results of the forecast exercise for individual headings are the following:

For **heading 1 (Single Market, Innovation and Digital)**, a surplus of EUR 450,3 million is expected.

A total surplus of EUR 821,4 million was announced for the Horizon Europe programme and its predecessor – Horizon 2020. The surplus of EUR 420,6 million of payment appropriations for Horizon Europe, representing 38,8 % of the voted appropriations for 2021, stems mainly from the late adoption of the Horizon Europe Regulation (May 2021), which delayed the adoption of the first Work Programmes. Consequently, calls' deadlines had to be postponed, delaying the signature, starting dates and pre-financing of projects originally foreseen in 2021 to 2022. Besides, a carry-over to 2022 might be needed for the new Joint Undertakings, due to the expected late formal adoption during the last quarter of 2021 of the Single Basic Act. Regarding the completion of Horizon 2020, the surplus of EUR 400,8 million, representing 5 % of the total appropriations for 2021, is a result of the delayed implementation of projects due to the actions undertaken by the Commission to facilitate the process for beneficiaries under the difficult circumstances linked to the COVID-19 pandemic. This led to numerous grant extension requests in order to allow beneficiaries to finalise their projects and submit their reports.

A surplus of EUR 123,2 million has been observed in the completion lines of financial instruments of the previous MFFs, whose estimates are provided by the implementing partners. Out of the reported amount, EUR 104,4 million is linked to the COSME Loan Guarantee Facility. The implementation in 2021 demonstrates that the guarantee calls would be much lower than those estimated at the time of 2021 Budget preparation (spring 2020). One of the reasons is the fact that the Commission agreed, as part of the crisis response to COVID-19, that financial intermediaries are allowed to adjust repayment schedules or accept grace periods to ease the burden on SMEs.

The under-implementation of EUR 43,9 million for the Digital Europe Programme is another example of the impact of the late adoption of the basic act (29 April 2021).

The identified surpluses could be partially balanced by the indicated additional need of appropriations for Galileo (now a component of the European Space Programme) stemming from a decision to speed up the implementation of the “Galileo Second Generation” procurement and increase the number of delivered satellites. As a result an additional EUR 648,4 million is included in the Global Transfer for this purpose. A further reinforcement in payment appropriations is also envisaged through a forthcoming budgetary authority transfer proposal (transferring appropriations from administrative lines to operational lines).

The financial implementation of the Cohesion policy funds under **sub-heading 2.a (Economic, social and territorial cohesion)** has continued to accelerate in 2021 thanks to the measures proposed by the Commission with the CRII and CRII+ to support Member States to face the challenges of the economic crisis. As of mid-September, 79,7 % of the sub-heading’s payment appropriations have already been used, compared to 63 % a year ago.

Taking into account this faster implementation and the latest available Member States and UK’s forecasts submitted in July 2021, the Commission considers that a reinforcement of EUR 713,7 million in payment appropriations is necessary in order to meet the estimated needs until the end of 2021 for the completion of the European Regional Development Fund (ERDF) programmes and EUR 773,6 million for the completion of the European Social Fund (ESF) programmes under the 2014 to 2020 programming period.

Under this heading, however, a surplus of payments of EUR 230,9 million was identified for the Cohesion Fund contribution to the Connecting Europe Facility (CEF) – Transport, partly for the new programmes (EUR 33,5 million) due to late adoption of the basic act (7 July 2021) and partly (EUR 197,4 million) for the completion lines. The latter under-implementation of amounts transferred to CEF is due to COVID-19 related reasons (impact of the COVID-19 on the level of costs, extensions of the implementation periods for some actions) and partially due to the updated needs for the 2020 Multiannual Work Programme call.

The implementation of **sub-heading 2.b (Resilience and values)** programmes has been hindered by late adoption of the legal bases as well as by the continued impact of the COVID-19 pandemic on the implementation of the programmes and various actions implemented under this heading. Those two factors were the primary reasons for the surplus of EUR 543,3 million.

The late adoption of the new Erasmus+ Regulation (20 May 2021) shifted the programming and implementation of major new activities to the second semester, mechanically pushing payments initially foreseen in 2021 to 2022. The total generated surplus of EUR 260 million in payment appropriations also stems from the carried over assigned revenues related to completion lines for outstanding recovery orders⁸, which had enabled two extraordinary COVID-19 related calls for proposals in 2020. Despite the exceptional circumstances, a total of EUR 1,494 million were paid at 15 September 2021,

⁸ The higher level of carried-over assigned revenues in payments appropriations (EUR 145 million under Education & training and Youth) stems from the exceptional COVID-19-related recovery exercise in 2020 which enabled two exceptional calls (EUR 200 million) implemented by Erasmus+ National Agencies. Commitments appropriations (C4 credits) resulting from recoveries have been used in 2020 with payment appropriations carried over to 2021 (C5 credits).

mainly towards National Agencies, representing 89,2% of the total voted appropriations after the Global Transfer.

The under-implementation of EUR 94,6 million for Creative Europe is another example of the impact on payment appropriations of the late adoption of the basic act (20 May 2021).

The revision of the forecast for the European Solidarity Corps revealed that the implementation by National Agencies remains lower than initially expected in April-May, while the COVID-19 pandemic has impacted the implementation of the EU Aid Volunteers strand under direct management, generating an overall combined surplus of EUR 26,1 million.

The late adoption of the EU4Health programme Regulation (24 March 2021) caused delays in the start of all actions in 2021 with expected contracts and grants agreements to be concluded towards the end of the year or even 2022. As a result, many pre-financing payments initially foreseen for 2021 will only occur in 2022 and subsequent years. The surplus amounts to EUR 49,9 million.

For the Technical Support Instrument, which is a new programme (successor of Structural Reform Support Programme), the grant and contribution agreements signed before the end of the year will be followed by a pre-financing payment still in 2021, while the first payments on the procurement part, will start only as from the beginning of 2022. Therefore, EUR 27 million was proposed to be redeployed within the Global Transfer.

A surplus of EUR 721,5 million has been identified in **heading 3 (Natural Resources and Environment)**. EUR 617 million are due to under-implementation of EAFRD programmes 2014-2022 where the uptake of the COVID-19 lump-sum payments to farmers and food processing SMEs has been below the maximum threshold of 2 % of the EAFRD allocations for the majority of the programmes that applied for it. In addition, the late adoption of the prolongation of the rural development programmes under the CAP Transitional Regulation has resulted in lower payments on the 2021 EAFRD allocation. The returned appropriations will be used partly in the Global Transfer and partly in DAB 6/2021.

A relatively small surplus of EUR 45,8 million had been also identified for the European Agricultural Guarantee Fund (EAGF). For the multi-programmes and actions implemented by the Commission under direct management where due to the effect of the COVID-19 pandemic (and of the subsequent sanitary measures decided by local/regional/national authorities) on all promotion and communication actions, many activities were postponed or cancelled.

Taking into account the level of pre-financing paid in 2021 as well as the revised forecast submitted in July by Member States for programmes under the completion of the European Maritime and Fisheries Fund (EMFF) prior to 2021, a surplus of EUR 100 million was identified. In addition EUR 25,9 million was released due to the late adoption of basic acts (Common Provisions Regulation (25 June 2021) and European Maritime Fisheries and Aquaculture Fund Regulation (14 July 2021)) and the delays in the submission of programmes.

On the other hand, a reinforcement (EUR 73,0 million) was requested for the Programme for Environment and Climate Action (LIFE) to cover the temporary increase of pre-financing rate for all LIFE grants financed under call for proposals for years 2019 and 2020. The increase of pre-financing is related to the COVID-19 measures aiming to allow more liquidity for the LIFE programme beneficiaries.

The late adoption of the basic acts is also a reason for the reported under-implementation (EUR 83,3 million) in **heading 4 (Migration and Border Management)**. Based on currently available information, no pre-financing payments are expected on shared management national programmes and on Union Actions (indirect and direct management) under the Asylum, Migration and Integration Fund. This is due to the delay in the adoption of the basic acts (7 July 2021) and the subsequent expected delay in the adoption of national programmes. Therefore, an amount of EUR 27,8 million is included in the Global Transfer.

Due to the late adoption of the Integrated Border Management Fund, the Customs Control Equipment Instrument (CCEI) (24 June 2021) and the Border Management and Visa Instrument (BMVI) (7 July 2021), no grant agreements will be signed in 2021 and no pre-financing payments are expected regarding national programmes implemented in shared management and on Union Actions (indirect and direct management). As a result, an amount of EUR 80,4 million is included in the Global Transfer.

On the other hand, a reinforcement of EUR 24,8 million was requested for the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA).

In Heading 5 (Security and Defence), a reinforcement of EUR 58,2 million is needed for the completion of the European Defence Industrial Development Programme to cover the increased pre-financing allocated in the context of the pandemic crisis.

Following the revision of the forecasts and taking into account the new need to provide additional appropriations to speed up global vaccinations, it is estimated that **heading 6 (Neighbourhood and the World)** requires an additional amount of EUR 520,2 million of payment appropriations, in particular to finance the purchase of 200 million vaccine doses.

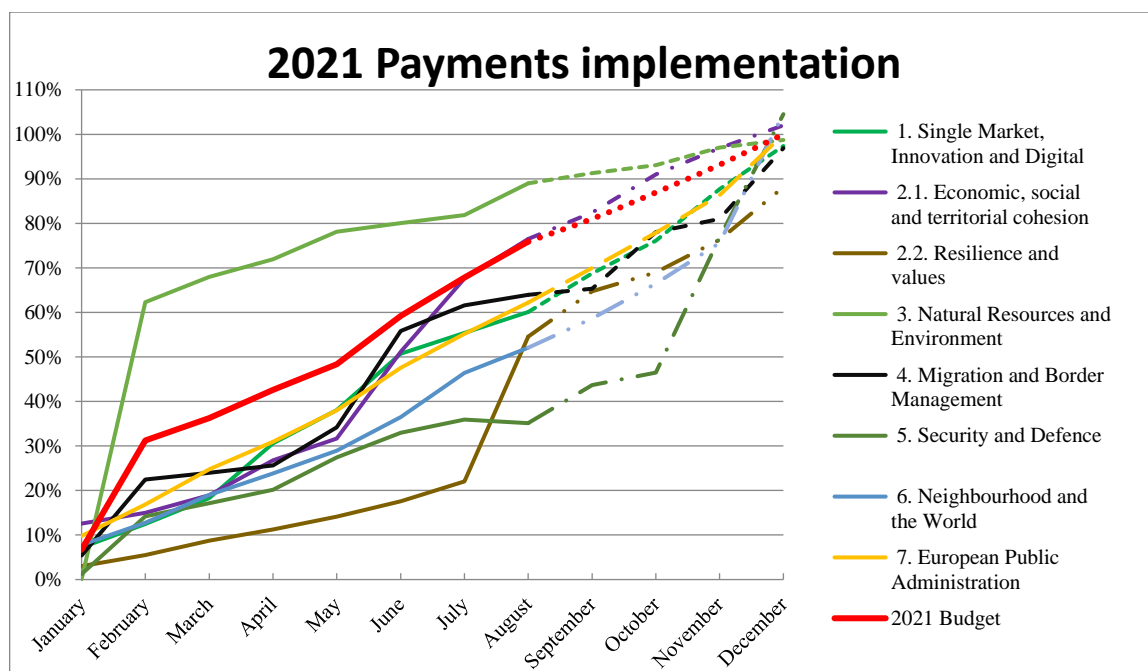
As regards the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE), delayed implementation of payments for the neighbourhood countries as well as delays caused by the late adoption of the basic act (14 June 2021) and the consequent delay of relevant programming and annual actions plans, provides sufficient availabilities of payment appropriations to match the mobilisation in commitment appropriations from the NDICI-GE flexibility cushion to finance additional vaccine doses to low and lower income countries. Moreover, an additional EUR 450 million has been proposed to be mobilised in the Draft Amending Budget 6/2021 in both commitment and payment appropriations for the same purpose.

A reinforcement was also requested for the completion of activities launched prior to 2021 under previous instruments for pre-accession assistance. Payments under on-going programmes for Turkey planned for the last months of 2020 could not be made and were postponed to early 2021. Therefore, a reinforcement of EUR 90 million is needed this year. In addition, payments under on-going Cross Border Cooperation programmes planned for the last quarter of 2020 were postponed to early 2021. Therefore, a reinforcement of EUR 12 million is needed this year.

At this stage, an implementation of 100 % for **heading 7 (European Public Administration)** is expected by the end of the year. This rate takes account of the fact that part of the non-differentiated appropriations, which are committed at the end of the year, are automatically carried over for payment in the following year. In any case, the final result will depend on factors such as this year's salary and pension adjustment, which will be only known in November.

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.

The following graph shows the 2021 evolution of payments execution up to August and forecast for the remaining months.



3. IMPLEMENTATION OF THE COHESION POLICY

2014-2020 Cohesion policy funds⁹

Despite the challenges of the health and safety measures taken to combat the pandemic, the financial implementation of the cohesion policy funds has continued to accelerate. After the excellent results in 2020, implementation is set to reach another peak in 2021 thanks to the measures proposed by the Commission with the Coronavirus Response Investment Initiative (CRII) and Coronavirus Response Investment Initiative Plus (CRII+) to support Member States to face the challenges of the pandemic.

The possibility under CRII+ for Member States and the UK to request 100% EU co-financing for the disbursement of their payment applications for the 2020/2021 accounting year expired on 30 June 2021. About half of the relevant programmes made use of this possibility between 1 July 2020 and 30 June 2021. This led to a total additional amount of EUR 11 billion in terms of payment applications, compared with the amounts which would have been claimed without this possibility.

As of 15 September, the cumulative net financial implementation of the cohesion policy funds stands at 63 % of the total allocation for 2014-2020, compared to 50 % a year ago.

At this stage, 83 % of the payment appropriations in the 2021 voted budget for the 2014-2020 programmes have already been used, compared to 63 % a year ago and 66 % two years ago. An unprecedented amount of EUR 15 billion was disbursed as interim payments over the summer (July-August), which represents 37 % of the interim payments made so far in 2021.

This acceleration is consistent with the assumptions made by the Commission when presenting the CRII+ proposal with regard to 100% EU co-financing of Member States' and UK's payment applications in the 2020/2021 accounting year.

The latest Member States' and UK's forecasts submitted in July (EUR 62 billion¹⁰) are stable compared to the January submission. By mid-September, the certifying authorities have submitted payment applications for EUR 40 billion or 65 % of their latest forecast. The remaining EUR 22 billion (35 %) are expected in the last 3 months of the year. The pace of submission of applications is therefore faster than in previous years.

Table 3 - Comparison between available payment appropriations and payment needs

Period 2014-2020	Availabilities 2021			Needs 2021			(g)=(c)- (f) Maximum potential end-2021 backlog
	(a) Budget 2021 for Interim payments	(b) Assigned revenue*	(c)=(a)+(b) 2021 available appropriations for Interim payments	(d) Capped July forecasts 2021**	(e) End- 2020 backlog	(f)=(d)+(e) Total max. interim payment needs in 2021	
Cohesion policy	51,4	6,9	58,3	55,8	7,7	63,5	-5,2

*EUR 0,1 billion carried over automatically from 2020 and EUR 6,8 billion generated in 2021

**The amount has been adjusted to take into account the 10% retention set in Art. 130 of Regulation (EU) 1303/2013

Taking account of the potential gap of EUR 5,2 billion between the needs and the availabilities, the Commission proposes to reinforce ERDF and ESF with an amount of EUR 1,5 billion in payment appropriations in the global transfer exercise. It is estimated

⁹ ERDF, CF, ESF & YEI, FEAD

¹⁰ The evolution per Member State is provided in Annex 2.

that the rest of the gap could be covered by the recurrent "normal" backlog at year-end, meaning the payment applications submitted by national authorities too late to be paid in the same year.

Outlook for 2022

After two consecutive peaks in 2020 and 2021, the pace of implementation of the 2014-2020 cohesion policy funds is expected to slow down in 2022, in line with the implementation pattern observed in the past combined with the expiry of the 100 % EU co-financing measure. This was already suggested by the first Member States' and UK's forecasts for 2022 (in January) pointing to a decrease of almost 16 % compared to 2021.

The summer forecasts for 2022 show a limited overall increase of EUR 1,7 billion compared to the January submission (increase from EUR 52,9 billion to EUR 54,6 billion), with half of the authorities estimating increased needs and the other half decreasing or unchanged needs. This is in line with historical trends and Commission's assumptions for the draft budget 2022. An overall decline is expected in 2022 (especially in July) as per the evolution observed in previous years.

Table 4 - Evolution of the Member States' and UK's payment forecast for 2022

in EUR billion

Period 2014-2020	Cohesion policy Payment forecast for 2022	
	January 2021 submission	July 2021 submission*
Gross Forecast as submitted by MS	52,9	54,6
Forecast adjusted by 10% retention	47,6	49,1

*Data as at 03/08/2021

Therefore, at this stage the Commission's proposal for the draft budget is not affected. The outlook will be reassessed in 2022 on the basis of the January forecast and the actual implementation at the end of 2021.

2021-2027 Cohesion policy programmes

Payment appropriations included in Budget 2021 for the 2021-2027 programming period cover mainly the regulatory annual pre-financing (corresponding to 0,5 % per year of the 7-year allocation). The level of payment appropriations also includes the expected effect of the re-programming exercise¹¹.

At this stage, Member States' forecasts of interim payment applications stemming from the new generation of programmes are not yet available. Very first estimations are expected in January 2022 for years 2022 and 2023.

¹¹ In line with the provisions of Article 7 of the MFF Regulation (Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027, OJ L 433I, 22.12.2020).

ANNEX 1: PAYMENTS IMPLEMENTATION AND FORECAST¹²
In EUR million

Pro-gramme	Programme description	Implementation at 15/09/2021			Forecast end of December		
		Payment appropriations (C1)	Payments made (C1)	%	Amount	%	Surplus / shortfall
		(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)=(1)-(4)
Heading 1. Single Market, Innovation and Digital							
1.0.11	Horizon Europe	9 909,7	6 462,5	65,2%	9 088,2	91,7%	821,4
1.0.12	Euratom Research and Training Programme	179,2	53,1	29,6%	179,2	100,0%	0,0
1.0.13	International Thermonuclear Experimental Reactor (ITER)	613,6	412,6	67,2%	613,6	100,0%	0,0
1.0.1PPPA	Pilot projects and preparatory actions	14,0	7,9	56,4%	13,8	94,3%	0,2
1.0.21	InvestEU Fund	1 082,0	666,5	61,6%	958,7	88,6%	123,2 ¹³
1.0.221	Connecting Europe Facility (CEF) - Transport	1 428,6	729,1	51,0%	1 428,6	100,0%	0,0
1.0.222	Connecting Europe Facility (CEF) - Energy	471,4	300,2	63,7%	471,4	100,0%	0,0
1.0.223	Connecting Europe Facility (CEF) - Digital	207,2	114,7	55,4%	200,9	97,0%	6,2
1.0.23	Digital Europe Programme	158,7	17,5	11,0%	114,8	72,3%	43,9
1.0.2DAG	Decentralised agencies	189,4	135,1	71,3%	189,4	100,0%	0,0
1.0.2OTH	Other actions	373,4	371,9	99,6%	373,4	100,0%	0,0
1.0.2PPPA	Pilot projects and preparatory actions	22,5	6,9	30,6%	22,5	100,0%	0,0
1.0.2SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	21,9	15,3	69,7%	21,9	100,0%	0,0
1.0.31	Single Market Programme (incl. SMEs)	547,8	258,2	47,1%	459,1	83,8%	88,7
1.0.32	EU Anti-Fraud Programme	23,8	9,4	39,5%	17,0	71,5%	6,8
1.0.33	Cooperation in the field of taxation (FISCALIS)	32,8	21,0	64,0%	32,8	100,0%	0,0
1.0.34	Cooperation in the field of customs (Customs)	86,3	66,0	76,4%	86,3	100,0%	0,0
1.0.3DAG	Decentralised agencies	121,4	90,8	74,8%	121,4	100,0%	0,0
1.0.3OTH	Other actions	7,5	4,6	61,3%	7,5	100,0%	0,0
1.0.3PPPA	Pilot projects and preparatory actions	13,4	5,5	41,1%	10,9	81,4%	2,5
1.0.41	European Space Programme	1 638,8	1 184,7	72,3%	2 287,2	139,6%	-648,4

¹² Excluding assigned revenue.

¹³ The surplus is attributable to the COSME financial instrument.

Pro-gramme	Programme description	Implementation at 15/09/2021			Forecast end of December		
		Payment appropriations (C1)	Payments made (C1)	%	Amount	%	Surplus / shortfall
		(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)=(1)-(4)
1.0.4DAG	Decentralised agencies	48,6	25,7	52,9%	43,0	88,4%	5,6
1.0.4PPPA	Pilot projects & preparatory actions	0,0	0,0	—			
	Total Heading 1. Single Market, Innovation and Digital	17 191,9	10 959,2	63,7%	16 741,6	97,4%	450,3
Heading 2. Cohesion, Resilience and Values							
Heading 2.1. Economic, social and territorial cohesion							
2.1.11	European Regional Development Fund (ERDF)	33 871,0	29 445,1	86,9%	34 584,7	102,1%	-713,7
2.1.121	Cohesion Fund (CF)	10 595,2	6 786,3	64,1%	10 595,2	100,0%	0,0
2.1.122	Cohesion Fund (CF), contribution to the Connecting Europe Facility (CEF) - Transport	1 246,1	622,2	49,9%	1 015,2	81,5%	230,9
2.1.1PPPA	Pilot projects and preparatory actions	4,3	2,3	54,4%	4,3	100,0%	0,0
2.1.311	European Social Fund (ESF) ¹⁴	16 147,4	12 425,8	77,0%	16 921,0	104,6%	-773,6
	Total Heading 2.1. Economic, social and territorial cohesion	61 863,9	49 281,6	79,7%	63 120,4	102,0%	-1 256,5
Heading 2.2. Resilience and values							
2.2.13	Support to the Turkish-Cypriot Community	38,9	25,1	64,7%	38,9	100,0%	0,0
2.2.21	Technical Support Instrument	109,2	52,4	48,0%	82,2	75,3%	27,0
2.2.22	Protection of the euro against counterfeiting (the 'Pericles IV programme')	0,8	0,0	0,0%	0,4	46,1%	0,4
2.2.23	Financing cost of the European Union Recovery Instrument (EURI)	5,0	0,2	3,5%	5,0	100,0%	0,0
2.2.24	Union Civil Protection Mechanism (RescEU)	193,5	121,4	62,7%	193,5	100,0%	0,0
2.2.25	EU4Health	126,6	36,7	29,0%	76,7	60,6%	49,9
2.2.26	Instrument for emergency support within the Union (ESI)	313,6	303,1	96,7%	313,6	100,0%	0,0
2.2.2DAG	Decentralised agencies	353,6	118,7	33,6%	315,8	89,3%	37,8
2.2.2PPPA	Pilot projects and preparatory actions	3,1	1,7	55,7%	3,1	100,0%	0,0
2.2.2SPEC	Actions financed under the prerogatives of the Commission	10,5	4,5	43,4%	10,5	100,0%	0,0

¹⁴ The ESF cluster include: ESF+ (shared management strand), ESF, Youth Employment Initiative (YEI) and European Aid to the Most Deprived (FEAD)

Pro-gramme	Programme description	Implementation at 15/09/2021			Forecast end of December		
		Payment appropriations (C1)	Payments made (C1)	%	Amount	%	Surplus / shortfall
		(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)=(1)-(4)
	and specific competences conferred to the Commission						
2.2.312	Employment and Social Innovation	85,3	36,8	43,1%	85,3	100,0%	0,0
2.2.32	Erasmus+	2 407,7	1 493,9	62,0%	2 147,7	89,2%	260,0
2.2.33	European Solidarity Corps (ESC)	126,6	72,6	57,3%	100,5	79,4%	26,1
2.2.34	Creative Europe	236,5	87,1	36,8%	141,9	60,0%	94,6
2.2.351	Justice	45,1	8,9	19,7%	40,2	89,1%	4,9
2.2.352	Rights and Values	88,6	34,7	39,2%	71,6	80,8%	17,0
2.2.3DAG	Decentralised agencies	220,5	150,5	68,3%	209,1	94,9%	11,4
2.2.3OTH	Other actions	7,3	4,9	67,3%	7,3	100,0%	0,0
2.2.3PPPA	Pilot projects and preparatory actions	50,6	11,4	22,5%	36,5	72,0%	14,2
2.2.3SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	161,5	105,3	65,2%	161,5	100,0%	0,0
Total Heading 2.2. Resilience and values		4 584,5	2 670,1	58,2%	4 041,2	88,1%	543,3
Total Heading 2. Cohesion, Resilience and Values		66 448,4	51 951,8	78,2%	67 161,6	101,1%	-713,2
Heading 3. Natural Resources and Environment							
3.1.11	European Agricultural Guarantee Fund (EAGF) ¹⁵	40 353,7	38 094,4	94,4%	40 307,9	99,9%	45,8
3.2	Other programmes of Natural Resources and Environment	51,7	0,0	0,0%	50,3	97,4%	1,4
3.2.12	European Agricultural Fund for Rural Development (EAFRD)	15 022,2	11 988,2	79,8%	14 405,2	95,9%	617,0
3.2.13	European Maritime and Fisheries Fund (EMFF)	827,4	366,3	44,3%	701,5	84,8%	125,9
3.2.14	Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO) ¹⁶	92,8	45,9	49,5%	92,8	100,0%	0,0

¹⁵ EAGF amounts include EUR 488 million for the crisis reserve which, as usual, will not be executed in 2021 but carried over to the next year and the corresponding C2 credits will be executed then.

¹⁶ Following the newly negotiated protocols which are expected to enter into force still in 2021, the needs for the Sustainable Partnership Fisheries Agreements will be covered by the appropriations already available on the operational line and a transfer from the SFPA reserve line possibly complemented by an autonomous transfer.

Pro-gramme	Programme description	Implementation at 15/09/2021			Forecast end of December		
		Payment appropriations (C1)	Payments made (C1)	%	Amount	%	Surplus / shortfall
		(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)=(1)-(4)
3.2.1DAG	Decentralised agencies	20,7	13,2	63,8%	20,7	100,0%	0,0
3.2.1PPPA	Pilot projects and preparatory actions	6,0	2,4	40,4%	5,8	96,6%	0,2
3.2.21	Programme for Environment and Climate Action (LIFE)	371,5	254,5	68,5%	444,5	119,7%	-73,0
3.2.22	Just Transition Fund	0,0	0,0	0,0%	0,0	100,0%	0,0
3.2.2DAG	Decentralised agencies	50,8	38,0	74,9%	50,8	100,0%	0,0
3.2.2PPPA	Pilot projects and preparatory actions	9,3	2,3	24,8%	5,1	54,6%	4,2
Total Heading 3. Natural Resources and Environment		56 806,1	50 805,3	89,4%	56 084,6	98,7%	721,5
Heading 4. Migration and Border Management							
4.0.11	Asylum, Migration and Integration Fund	1 301,3	985,5	75,7%	1 273,5	97,9%	27,8
4.0.1DAG	Decentralised agencies	137,8	62,3	45,2%	137,8	100,0%	0,0
4.0.1PPPA	Pilot projects and preparatory actions	0,0	0,0	85,4%	0,0	85,5%	0,0
4.0.211	Integrated Border Management Fund (IBMF) - Instrument for border management and visa (BMVI)	488,2	380,7	78,0%	440,7	90,3%	47,5
4.0.212	Integrated Border Management Fund (IBMF) - Instrument for financial support for customs control equipment (CCEi)	33,0	0,0	0,0%	0,1	0,2%	32,9
4.0.2DAG	Decentralised agencies	726,0	319,6	44,0%	750,8	103,4%	-24,8
Total Heading 4. Migration and Border Management		2 686,2	1 748,1	65,1%	2 602,9	96,9%	83,3
Heading 5. Security and Defence							
5.0.11	Internal Security Fund (ISF)	179,8	111,5	62,0%	170,9	95,1%	8,9
5.0.12	Nuclear decommissioning (Lithuania)	50,0	0,0	0,0%	50,0	100,0%	0,0
5.0.13	Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)	78,4	14,8	18,9%	78,4	100,0%	0,0
5.0.1DAG	Decentralised agencies	197,6	148,8	75,3%	195,3	98,8%	2,3
5.0.1PPPA	Pilot projects and preparatory actions	0,8	0,8	100,0%	0,8	100,0%	0,0
5.0.1SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	20,8	14,1	67,7%	20,8	100,0%	0,0
5.0.211	European Defence Fund (Research)	13,1	0,0	0,0%	13,1	99,7%	0,0

Pro-gramme	Programme description	Implementation at 15/09/2021			Forecast end of December		
		Payment appropriations (C1)	Payments made (C1)	%	Amount	%	Surplus / shortfall
		(1)	(2)	(3)=(2)/(1)	(4)	(5)=(4)/(1)	(6)=(1)-(4)
5.0.212	European Defence Fund (Non Research)	143,2	0,4	0,3%	201,4	140,6%	-58,2
5.0.22	Military Mobility	16,7	1,0	5,8%	1,7	10,0%	15,0
5.0.2PPPA	Pilot projects and preparatory actions	4,8	4,8	100,0%	4,8	100,0%	0,0
Total Heading 5. Security and Defence		705,2	296,3	42,0%	737,2	104,5%	-32,0
Heading 6. Neighbourhood and the World							
6.0.111	Neighbourhood, Development and International Cooperation Instrument (NDICI)	6 491,3	2 796,5	43,1%	6 941,3	106,9%	-450,0
6.0.112	European Instrument for Nuclear Safety (EINS)	32,5	8,5	26,3%	16,5	50,8%	16,0
6.0.12	Humanitarian Aid (HUMA)	2 225,1	1 831,7	82,3%	2 225,1	100,0%	0,0
6.0.13	Common Foreign and Security Policy (CFSP)	328,7	298,1	90,7%	345,7	105,2%	-17,0
6.0.14	Overseas Countries and Territories (OCT) (including Greenland)	33,4	6,7	19,9%	7,8	23,5%	25,6
6.0.1OTH	Other actions	41,6	11,6	27,9%	38,9	93,5%	2,7
6.0.1PPPA	Pilot projects and preparatory actions	2,4	2,4	99,2%	2,4	100,0%	0,0
6.0.1SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	77,6	50,3	64,8%	73,1	94,2%	4,5
6.0.21	Pre-Accession Assistance (IPA III)	1 882,4	1 051,4	55,9%	1 984,4	105,4%	-102,0
Total Heading 6. Neighbourhood and the World		11 115,0	6 057,1	54,5%	11 635,3	104,7%	-520,2
Heading 7. European Public Administration							
7.1	European schools and Pensions	2 411,6	1 612,9	66,9%	2 411,6	100,0%	0,0
7.2	Administrative expenditure of the institutions	3 724,2	2 456,1	66,0%	3 724,2	100,0%	0,0
7.2.39PPP A	Pilot projects and preparatory actions	1,3	0,7	57,8%	1,4	107,1%	-0,1
Total Heading 7. European Public Administration		6 137,1	4 069,7	66,3%	6 137,1	100,0%	-0,1
Total		161 090,1	125 887,4	78,1%	161 100,4	100,0%	-10,3

ANNEX 2 – MEMBER STATES AND UK’S FORECASTS FOR COHESION POLICY

The table below sets out the evolution of the payment forecasts submitted by the Member States and UK¹⁷ for 2021, comparing the submissions made in January 2021 and July 2021 by country. The figures cover the ERDF, CF, ESF/YEI and FEAD 2014-2020 programmes.

Table: Member States’ and UK’s forecasts for 2021

EUR billion

2014-2020 Cohesion programmes		Gross Forecasts for year 2021		
		January 2021 submission	July 2021 submission	Difference (July-January)
AT	Austria	0.24	0.20	-0.04
BE	Belgium	0.33	0.34	0.01
BG	Bulgaria	1.19	1.26	0.08
CY	Cyprus	0.23	0.22	-0.01
CZ	Czech Republic	3.69	3.79	0.10
DE	Germany	2.79	2.84	0.05
DK	Denmark	0.07	0.07	0.00
EE	Estonia	0.52	0.63	0.10
GR	Greece	3.02	2.36	-0.66
ES	Spain	7.10	6.48	-0.61
FI	Finland	0.23	0.19	-0.04
FR	France	2.11	1.92	-0.20
HR	Croatia	1.37	1.22	-0.14
HU	Hungary	2.93	3.42	0.50
IE	Ireland	0.39	0.22	-0.18
IT	Italy	8.22	7.87	-0.36
LT	Lithuania	1.40	1.48	0.08
LU	Luxemburg	0.01	0.01	0.00
LV	Latvia	0.54	0.47	-0.08
MT	Malta	0.18	0.19	0.01
NL	Netherlands	0.16	0.15	-0.01
PL	Poland	12.13	12.60	0.47
PT	Portugal	3.69	3.99	0.29
RO	Romania	3.17	3.40	0.23
SE	Sweden	0.16	0.17	0.00
SI	Slovenia	0.76	0.82	0.06
SK	Slovakia	2.34	2.20	-0.15
UK	United Kingdom	1.93	1.75	-0.17
TC	Territorial Cooperation	1.87	1.78	-0.10
TOTAL:		62.78	62.03	-0.74

¹⁷ According to Article 138(1) of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, OJ C 384I, 12.11.2019, p. 1–177, (‘the Withdrawal Agreement’), in respect of the implementation of the Union programmes and activities committed under the MFF 2014-2020 or previous financial perspectives, applicable Union law will continue to apply to the United Kingdom after 31 December 2020 until the closure of those Union programmes and activities.

The table below shows the evolution of the forecasts for 2022, comparing the submissions made in January 2021 and July 2021 by country. The summer estimations reveal a limited overall increase of the amount of interim payment applications expected in 2022.

Like for 2021, the amounts for 2022 refer to the payment applications of the 2014-2020 programmes only (ERDF, CF, ESF/YEI and FEAD).

Table: Member States' and UK's forecasts for 2022

EUR billion

2014-2020 Cohesion programmes		Gross Forecasts for year 2022		
		January 2021 submission	July 2021 submission	Difference (July-January)
AT	Austria	0.19	0.20	0.01
BE	Belgium	0.34	0.35	0.01
BG	Bulgaria	1.19	1.14	-0.05
CY	Cyprus	0.08	0.07	0.00
CZ	Czech Republic	3.33	3.66	0.32
DE	Germany	2.77	2.94	0.17
DK	Denmark	0.05	0.07	0.02
EE	Estonia	0.62	0.53	-0.10
EL	Greece	2.46	2.44	-0.02
ES	Spain	2.51	4.94	2.43
FI	Finland	0.23	0.16	-0.07
FR	France	2.59	2.17	-0.42
HR	Croatia	1.92	1.54	-0.38
HU	Hungary	2.65	2.39	-0.26
IE	Ireland	0.02	0.02	0.00
IT	Italy	4.33	4.13	-0.20
LT	Lithuania	0.88	1.32	0.44
LU	Luxemburg	0.01	0.01	0.00
LV	Latvia	0.55	0.47	-0.08
MT	Malta	0.12	0.12	0.00
NL	Netherlands	0.14	0.12	-0.02
PL	Poland	11.56	11.76	0.20
PT	Portugal	3.28	3.28	0.00
RO	Romania	4.51	3.80	-0.70
SE	Sweden	0.24	0.20	-0.04
SI	Slovenia	0.55	0.55	-0.01
SK	Slovakia	2.50	2.74	0.24
UK	United Kingdom	1.70	1.77	0.07
TC	Territorial Cooperation	1.59	1.72	0.13
TOTAL:		52.89	54.59	1.69