Mobilisation of the Contingency Margin in 2016

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PURPOSE: to mobilise the Contingency Margin in 2016 to address the unforeseen consequences of the migration crisis.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: Article 13 of the Council Regulation (EU, EURATOM) No 1311/2013 lays down the multiannual financial framework for the years 2014-2020 and allows for the mobilisation of the Contingency Margin of up to 0.03 % of Gross National Income.

After having examined all other financial possibilities to react to unforeseen circumstances within the 2016 expenditure ceilings for heading 3 Security and citizenship, and after having proposed to mobilise the Flexibility Instrument for headings 3 and 4 for the full amount of EUR 1 530 million available in 2016, the **mobilisation of the Contingency Margin is necessary to address the needs stemming from the migration, refugee and security crisis by increasing the commitment appropriations of heading 3** in the general budget of the European Union for the financial year 2016, above the ceiling of this heading.

Justification of the mobilisation: a new instrument was adopted by the Council on 15 March 2016 to allow the provision of **emergency support** of a humanitarian nature in response to the increased influx of refugees and migrants into the Union.

The funding needs for this new emergency instrument in 2016 were estimated at **EUR 300 million in commitment appropriations and EUR 241 million in payment appropriations**. EUR 199 million in commitment appropriations and EUR 130.2 million in payment appropriations have been redeployed from AMIF, first in the context of the amending budget No 1/2016 (EUR 100 million in commitment appropriations and EUR 80.2 million in payment appropriations) and then, through a Commission transfer of appropriations implemented in August in accordance with Article 26(1)(c) of the Financial Regulation (EUR 99 million in commitment appropriations and EUR 50 million in payment appropriations).

Likely **outstanding needs related to the new emergency instrument**, currently estimated at **EUR 50 million in commitment appropriations and EUR 10 million in payment appropriations**, has still to be financed in 2016.

After taking account of the possible redeployments identified on other budget lines under heading 3 (EUR 9.9 million), the Commission has requested to increase commitment appropriations by EUR 240.1 million above the ceiling of this heading in the draft amending budget No 4/2016.

The expenditure ceiling of heading 3 in 2016 stands at EUR 2 546 million in current prices.

The commitment appropriations authorised for heading 3 in the 2016 budget are EUR 4 052 million, which has already required the mobilisation of the Flexibility Instrument (EUR 1 506 million) over and above the ceiling of heading 3, in accordance with Article 11(2) of the MFF Regulation.

Spending related to migration and, refugees and security: the Commission stated that this represents more than 70 % of total expenditure under the ceiling of heading 3. The Commission has carefully examined all possibilities for redeployment and stated that it is only possible to cover a small percentage of the needs in commitment appropriations as described above without jeopardising the proper functioning of the other relatively smaller programmes.

As a consequence, **the mobilisation of the Contingency Margin is the only possible recourse to meet the budgetary needs in commitment appropriations**. Availability of margins in other headings allows this mobilisation to be completely offset in 2016.

The needs in payment appropriations will be accommodated within the 2016 ceiling for payments, thus making the mobilisation of the Contingency Margin in payments unnecessary.

Estimated needs: the Contingency Margin shall be mobilised to provide **EUR 240.1 million in commitment appropriations over and above the commitment ceiling of heading 3** of the multiannual financial framework.

This amount shall be fully offset against the margin of heading 5 Administration.