Mobilisation of the Contingency Margin in 2017

2016/2118(BUD) - 17/10/2016 - Non-legislative basic document

PURPOSE: to mobilise the contingency margin in 2017.

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

CONTENT: Article 13 of Council Regulation No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 allows for the mobilisation of the Contingency Margin of up to 0.03 % of Gross National Income for the EU-28 to react to unforeseen circumstances as a last resort instrument.

In the technical adjustment of the MFF for 2017, based on Article 6 of the MFF Regulation, the absolute amount of the Contingency Margin for the year 2017 is set at **EUR 4 496,8 million**.

After having examined all possibilities for financing additional and unforeseen commitment needs, the Commission proposes to mo**bilise the Contingency Margin for 2017 for an amount of EUR 2 150,6 million** so as to complement the commitment appropriations related to expenditure in:

- headings 3 ‘Security and Citizenship’: EUR 2 578 million;
- heading 4 ‘Global Europe’: EUR 9 432 million in current prices.

The Commission carried out an analysis of the possibility to reallocate significant amounts within the existing budget and proposed in this regard to **offset** the reinforcement of the expenditure ceiling of headings 3 and 4 as follows:

- 2017: EUR 850 million against the unallocated margin available under the expenditure ceiling of heading 2 Sustainable Growth: Natural Resources and EUR 514.4 million against the unallocated margin available in heading 5 Administration;
- 2018: EUR 570 million against the unallocated margin available in heading 5 Administration;
- 2019: EUR 216.2 million against the unallocated margin available in heading 5 Administration.

This proposal includes an amount of EUR 1 164,4 million for which the Commission had already made a proposal to mobilise the Contingency Margin for heading 3 which accompanied the initial draft budget 2017, and which is now **repealed and replaced by the present proposal**.

This proposal has been preceded by a Commission proposal to mobilise in full the amount of the Flexibility Instrument available for 2017 (EUR 530 million), also for heading 3.

Margin as the last resort: it is recalled that Article 13(1) of the MFF Regulation defines the Contingency Margin as a **last resort instrument to react to unforeseen circumstances**.

Given the full mobilisation of the flexibility instrument in the DB 2017 (EUR 530 million), the mobilisation of the Contingency Margin for 2017 at a level of EUR 2 150,6 million is therefore **the only available instrument to address the gap between the level of the expenditure ceiling of headings 3 and 4 in 2017** and the additional unforeseen needs estimated for 2017.