Basic information

2016/2118(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the Contingency Margin in 2017 Amended by 2017/2265(BUD) **Subject** 7.10.06 Asylum, refugees, displaced persons; Asylum, Migration and Integration Fund (AMIF) 8.70.57 2017 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GEIER Jens (S&D)	06/09/2016
	Shadow rapporteur MUREŞAN Siegfried (PPE) VISTISEN Anders (ECR) DEPREZ Gérard (ALDE) NÍ RIADA Liadh (GUE/NGL) MARAGALL Ernest (Verts/ALE) TARAND Indrek (Verts/ALE) ZANNI Marco (EFDD) MONTEL Sophie (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	MACOVEI Monica (ECR)	26/09/2016

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
17/10/2016	Non-legislative basic document published	COM(2016)0678	Summary
21/11/2016	Committee referral announced in Parliament		
24/11/2016	Vote in committee		
25/11/2016	Budgetary report tabled for plenary	A8-0346/2016	Summary
01/12/2016	Decision by Parliament	T8-0472/2016	Summary
01/12/2016	Results of vote in Parliament		
12/12/2016	Draft budget approved by Council		
12/12/2016	End of procedure in Parliament		
28/02/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2118(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Amendments and repeals	Amended by 2017/2265(BUD)
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/06994

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	LIBE	PE589.356	18/11/2016	
Committee draft report		PE594.113	22/11/2016	
Amendments tabled in committee		PE594.184	23/11/2016	
Budgetary report tabled for plenary, 1st reading		A8-0346/2016	25/11/2016	Summary
Budgetary text adopted by Parliament		T8-0472/2016	01/12/2016	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2016)0678		

Non-legislative basic document		17/10/2016	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2017/0344 OJ L 050 28.02.2017, p. 0057	Summary

Mobilisation of the Contingency Margin in 2017

2016/2118(BUD) - 25/11/2016 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Jens GEIER (S&D, DE) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the Contingency Margin in 2017.

Having examined all possibilities for financing additional and unforeseen commitment needs, the Commission proposed in its Draft Budget to mobilise the Contingency Margin for an amount of EUR 1 164.4 million so as to complement the commitment appropriations related to expenditure in heading 3 in the general budget of the European Union for the financial year 2017, over and above the commitment ceiling of EUR 2 578 million in current prices.

Additional financial needs are likely to arise in 2017, in relation to the internal security crises and the current humanitarian, migratory and refugee challenges. Members acknowledged that these needs could significantly exceed the funding available under heading 3.

They recalled that **no more margin is available under the ceiling of heading 3**.

Therefore, Members requested the Commission to clarify if and how additional funds could be possibly mobilised using the Contingency Margin to respond to possible additional financial needs for heading 3 during the course of 2017.

The Commission revised this mobilisation proposal in the framework of Amending Letter 1/2017 so as to cover also expenditure under heading 4.

The Conciliation Committee convened for the 2016 budget agreed to the **mobilisation of the Contingency margin at a level of EUR 1 906.2 million** for heading 3 and heading 4 and to **offset EUR 575 million** against the unallocated margin under heading 2 Sustainable Growth: Natural Resources in 2017, EUR 507.3 million in 2017, EUR 570 million in 2018 and EUR 253.9 million in 2019 against the unallocated margins under heading 5 Administration.

Members called on the European Parliament to approve the decision annexed to this resolution.

Mobilisation of the Contingency Margin in 2017

2016/2118(BUD) - 30/06/2016 - Non-legislative basic document

PURPOSE: to fully mobilise the Contingency Margin to provide EUR 1 164.4 million in commitment appropriations over and above the commitment ceiling of heading 3 (Security and Citizenship) of the multiannual financial framework.

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

CONTENT: Article 13 of Council Regulation (EU, EURATOM) No 1311/2013 has established a Contingency Margin of up to 0,03 % of the Gross National Income of the Union.

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 **mobilise the Contingency Margin for 2017 for an amount of EUR 1 164.4 million** so as to complement the commitment appropriations related to expenditure in heading 3 in the general budget of the European Union for the financial year 2017, over and above the commitment ceiling of EUR 2 578 million in current prices.

In accordance with point 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, the Commission has carried out an analysis of the possibility to reallocate significant amounts within the existing budget. It proposes to offset the reinforcement of the expenditure ceiling of heading 3 as follows:

- EUR 650 million against the unallocated margin available under the expenditure ceiling of heading 2;
- EUR 514.4 million against the unallocated margin available in heading 5 in 2017.

It should be noted that this proposal is accompanied by a Commission proposal to mobilise in full the amount of the Flexibility Instrument available for 2017 (EUR 530 million), also for heading 3.

Contingency margin as the last resort instrument: in the 2017 Draft Budget (DB), the Commission proposes to fully use the unallocated margin under the commitment ceiling of heading 3 after having examined all possibilities for redeployment within the heading.

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 1 164.4 million is therefore **the only available instrument to address the gap between the level of the expenditure ceiling of heading 3 in 2017** and the additional unforeseen needs estimated for 2017.

Although the migration, refugee and security crisis began in 2015, its impact and consequences are still evolving on a day-to-day basis. Political decisions in third countries about the acceptance of refugees on their territory and the opening and closure of borders make it very hard to foresee the long-term evolution in this field.

Offsetting the contingency margin against the MFF ceilings: Article 13(3) of the MFF Regulation requires that amounts made available through the mobilisation of the Contingency Margin shall be fully offset against the margins for the current or future financial years. Therefore the amounts offset shall not be further mobilised in the context of the MFF so that the total ceilings of commitment and payment appropriations laid down in the MFF for the current and future financial years shall not be exceeded. Consequently, the mobilisation of the Contingency Margin for commitment appropriations in 2017 under heading 3 and the related offsetting have to **respect the total commitment ceiling for the years 2017 to 2020**.

As sufficient margins are available under the 2017 expenditure ceilings of heading 2 and 5, the Commission proposes to make the offsetting fully in 2017 in order not to prejudge the needs in commitment appropriations of the years 2018-2020.

The amount offset in heading 2 will be EUR 650 million, leaving a margin of EUR 639.3 million in 2017. The rest of the offsetting (EUR 514.4 million) is made against the margin of heading 5, leaving a margin of EUR 81.9 million in 2017.

The overall commitment ceiling for 2017 and for the whole MFF will remain unchanged.

In order to minimise the time taken to mobilise the Contingency margin, it is proposed that the Decision should apply from 1 January 2017.

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.

Mobilisation of the Contingency Margin in 2017

2016/2118(BUD) - 14/12/2016 - Final act

PURPOSE: to mobilise the contingency margin in 2017.

NON-LEGISLATIVE ACT: Decision (EU) 2017/344 of the European Parliament and of the Council on the mobilisation of the Contingency Margin in 2017.

CONTENT: Article 13 of Council Regulation (EU, Euratom) No 1311/2013 has established a Contingency Margin of up to 0.03 % of the Gross National Income of the Union.

In accordance with that Regulation, the Commission has calculated the absolute amount of the Contingency Margin for 2017.

After having examined all other financial possibilities to react to unforeseen circumstances within the 2017 commitment ceilings:

- for heading 3 (Security and citizenship);
- for heading 4 (Global Europe) of the multiannual financial framework,

and having regard to the mobilisation of the Flexibility Instrument for the full amount of EUR 530 million available in 2017, **it appears necessary to mobilise the contingency margin to address the needs stemming from the migration, refugee and security crisis**, by increasing the commitment appropriations in the general budget of the Union for the financial year 2017, over and above the ceilings of headings 3 and 4 of the multiannual financial framework.

The European Parliament and the Council therefore decided to mobilise the contingency margin under the 2017 budget in order to provide **EUR 1 176 030 960** in commitment appropriations over and above the commitment ceiling of heading 3 (Security and citizenship) and of EUR 730 120 000 in commitment appropriations over and above the commitment ceiling of heading 4 (Global Europe) of the multiannual financial framework.

The total amount of **EUR 1 906 150 960** in commitment appropriations shall be **offset against the margins** under the commitment ceilings for the years **2017 to 2019** of the following headings of the multiannual financial framework:

2017:

- heading 2 (Sustainable Growth — Natural Resources): EUR 575 000 000;
- heading 5 (Administration): EUR 507 268 804;

2018:

- heading 5 (Administration): EUR 570 000 000;

2019:

- heading 5 (Administration): EUR 253 882 156.

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.

ENTRY INTO FORCE: the Decision shall enter into force on 28.2.2017. It shall apply from 1.1.2017.

Mobilisation of the Contingency Margin in 2017

2016/2118(BUD) - 01/12/2016 - Budgetary text adopted by Parliament

The European Parliament adopted by 508 votes to 89, with 45 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the Contingency Margin in 2017.

Having examined all possibilities for financing additional and unforeseen commitment needs, the Commission proposed in its Draft Budget to mobilise the Contingency Margin for an amount of EUR 1 164.4 million so as to complement the commitment appropriations related to expenditure in heading 3 in the general budget of the European Union for the financial year 2017, over and above the commitment ceiling of EUR 2 578 million in current prices.

Parliament noted that additional financial needs are likely to arise in 2017, in relation to the internal security crises and the current humanitarian, migratory and refugee challenges. It acknowledged that these needs could significantly exceed the funding available under heading 3.

It recalled that **no more margin is available under the ceiling of heading 3**. Therefore, it called on the Commission to clarify if and how additional funds could be possibly mobilised using the Contingency Margin to respond to possible additional financial needs for heading 3 during the course of 2017.

The Commission revised this mobilisation proposal in the framework of Amending Letter 1/2017 so as to cover also expenditure under heading 4.

The Conciliation Committee convened for the 2016 budget agreed to the **mobilisation of the Contingency margin at a level of EUR 1 906.2 million** for heading 3 and heading 4 and to **offset EUR 575 million** against the unallocated margin under heading 2 Sustainable Growth: Natural Resources in 2017, EUR 507.3 million in 2017, EUR 570 million in 2018 and EUR 253.9 million in 2019 against the unallocated margins under heading 5 Administration.

Parliament approved the decision annexed to this resolution.