Council Regulation (EU, Euratom) 2017/1123 of 20 June 2017 amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020

COUNCIL REGULATION (EU, Euratom) 2017/1123

of 20 June 2017

amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 312 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with a special legislative procedure,

Whereas:

(1) Special instruments have been extensively used in the first years of implementation of the 2014-2020 multiannual financial framework (MFF) set out in Council Regulation (EU, Euratom) No 1311/2013[(1)] to address new challenges which have arisen in the European neighbourhood and called for swift and comprehensive Union action to deal with their far-reaching humanitarian and security implications.

(2) The circumstances which occasioned those extraordinary measures and the need to take further action persist, as shown by the recourse made, again, under the budget for the year 2017 to margins and special instruments, which reduces the budgetary availabilities to confront such situations in the remaining period of the MFF.

(3) In order to implement specific and maximum possible flexibility and to ensure the sufficiency of payment appropriations to allow the Union to fulfil its obligations in compliance with Article 323 of the Treaty on the Functioning of the European Union, the maximum amounts set for the adjustment of payment ceilings for the years 2019-2020 under the global margin for payments need to be increased.

(4) In order to maintain a sufficient capacity for the Union to react to unforeseen circumstances with particular focus on the new challenges, the Emergency Aid Reserve and the Flexibility Instrument should be reinforced, the temporal restrictions regarding the constitution of the global margin for commitments should be removed and the scope of the global margin for commitments should be expanded.

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU, Euratom) 2017/1123. (See end of Document for details)*

(5) Specific and maximum possible flexibility should also be ensured by providing for unused amounts from the European Union Solidarity Fund and the European Globalisation Adjustment Fund to be made available to the Flexibility Instrument.

(6) Regulation (EU, Euratom) No 1311/2013 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU, Euratom) No 1311/2013 is amended as follows:

(1) in Article 3, paragraph 2 is replaced by the following:

2. The special instruments provided for in Articles 9 to 15 shall ensure the flexibility of the MFF and shall be laid down in order to allow the budget procedure to run smoothly. The commitment appropriations may be entered in the budget over and above the ceilings of the relevant headings laid down in the MFF where it is necessary to use the resources from the Emergency Aid Reserve, the European Union Solidarity Fund, the Flexibility Instrument, the European Globalisation Adjustment Fund, the Contingency Margin, the specific flexibility to tackle youth unemployment and strengthen research and the global margin for commitments for growth and employment, in particular youth employment, and for migration and security measures, in accordance with Council Regulation (EC) No 2012/2002[(2)], Regulation (EU) No 1309/2013 of the European Parliament and of the Council[(3)], and the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management[(4)].;

(2) in Article 5, paragraph 2 is replaced by the following:

2. The annual adjustments shall not exceed the following maximum amounts (in 2011 prices) for the years 2018-2020 as compared to the original payment ceiling of the relevant years:

2018 — EUR 7 billion
2019 — EUR 11 billion
2020 — EUR 13 billion.;

(3) in Article 6(1), the following point is added:

(f) calculation of the amounts to be made available to the Flexibility Instrument under the second subparagraph of Article 11(1).;

(4) in Article 9, paragraph 2 is replaced by the following:

2. The annual amount of the Reserve is fixed at EUR 300 million (2011 prices) and may be used up to year n + 1 in accordance with the Financial Regulation. The Reserve shall be entered in the general budget of the Union as a provision. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n + 1 shall lapse.;

(5) Article 11 is replaced by the following:

Article 11

Flexibility Instrument

1 The Flexibility Instrument is intended to allow the financing, for a given financial year, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings. Subject to the second subparagraph, there shall be a ceiling on the annual amount available for the Flexibility Instrument of EUR 600 million (2011 prices).

Each year, starting in 2017, the annual amount available for the Flexibility Instrument shall be increased by:

a an amount equivalent to the portion of the annual amount for the European Union Solidarity Fund which has lapsed in the previous year in accordance with Article 10(1);

b an amount equivalent to the portion of the annual amount for the European Globalisation Adjustment Fund which has lapsed in the previous year.

Amounts made available to the Flexibility Instrument in accordance with the second subparagraph shall be used in accordance with the conditions set out in this Article.

2 The unused portion of the annual amount of the Flexibility Instrument may be used up to year n + 3. The portion of the annual amount stemming from previous years shall be used first, in order of age. That portion of the annual amount from year n which is not used in year n + 3 shall lapse.;

(6) Article 14 is replaced by the following:

Article 14

Global margin for commitments for growth and employment, in particular youth employment, and for migration and security measures

1 Margins left available below the MFF ceilings for commitment appropriations shall constitute a Global MFF Margin for commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment, and to migration and security.

2 Each year, as part of the technical adjustment provided for in Article 6, the Commission shall calculate the amount available. The Global MFF Margin or part thereof may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure pursuant to Article 314 TFEU..

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.