



2016/0283(APP)

22.3.2017

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## **DRAFT RECOMMENDATION**

on the draft Council regulation amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020  
(14942/2016 – C8-0103/2017 – 2016/0283(APP))

Committee on Budgets

Rapporteur: Jan Olbrycht, Isabelle Thomas

***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

## CONTENTS

	<b>Page</b>
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5
ANNEX I: Draft Council Regulation .....	6
ANNEX II: Statements .....	11



## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the draft Council regulation amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (14942/2016 – C8-0103/2017 – 2016/0283(APP))**

**(Special legislative procedure - consent)**

*The European Parliament,*

- having regard to the Commission proposal for a Council Regulation amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (COM(2016)0604),
  - having regard to the draft Council regulation amending Regulation No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (14942/2016) and Council's corrigendum (14942/2016 COR2),
  - having regard to the request for consent submitted by the Council in accordance with Article 312 of the Treaty on the Functioning of the European Union and Article 106a of the Treaty establishing the European Atomic Energy Community (C8-0103/2017),
  - having regard to the Council agreement in principle of 7 March 2017 on the revision of the multiannual financial framework 2014-2020<sup>1</sup>,
  - having regard to its resolution of 6 July 2016 on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal<sup>2</sup>,
  - having regard to its resolution of 26 October 2016 on the mid-term revision of the MFF 2014-2020<sup>3</sup>,
  - having regard to Rule 99(1) and (4) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on Budgets (A8-0000/2017);
1. Gives its consent to the draft Council regulation amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 as set out in annex to this resolution;
  2. Approves the joint statements by the Parliament and the Council annexed to this resolution;
  3. Approves its statement annexed to this resolution;
  4. Takes note of the unilateral statements by the Council and the Commission;
  5. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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<sup>1</sup> 7030/2017 and 7031/2017 COR1.

<sup>2</sup> Texts adopted, P8\_TA(2016)0309.

<sup>3</sup> Texts adopted, P8\_TA(2016)0412.

## **ANNEX I: Draft Council Regulation**

**COUNCIL REGULATION (EU, Euratom) 2016/...**

**of ...**

**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<sup>1</sup> 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.

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<sup>1</sup> Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

- (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.
- (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\*, Regulation (EC) No 1309/2013 of the European Parliament and of the Council\*\*, and the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management\*\*\*.

(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).’

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\* Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p. 3).

\*\* Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (OJ L 347, 20.12.2013, p. 855).

\*\*\* Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 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.

Done at Brussels,

*For the Council*  
*The President*

## ANNEX II: Statements

### Joint statement of the European Parliament and the Council on reinforcements (top-ups) for the remaining period of the MFF

In the context of the MFF mid-term review/revision, the European Parliament and the Council have agreed on the top-ups as proposed by the Commission for the amounts indicated in the table below, to be implemented in the years 2017 to 2020<sup>1</sup> in the framework of the annual budgetary procedure, without prejudice to the prerogatives of the budgetary authority:

	Commitment appropriations, mil. EUR
<b>Heading 1a</b>	
Horizon 2020	200
CEF Transport	300
Erasmus+	100
COSME	100
Wifi4EU*	25
EFSI*	150
<b>Total Heading 1a</b>	<b>875</b>
<b>Heading 1b (YEI)</b>	<b>1200**</b>
<b>Heading 3</b>	<b>2549</b>
<b>Heading 4*</b>	<b>1385</b>
<b>Total H1a, 1b, 3, 4</b>	<b>6009</b>

\* *This does not prejudice the outcome of ongoing discussions on draft legislative proposals within H1a and H4.*

\*\* *Spread over four years (2017-2020).*

Redeployments of an overall amount of EUR 945 million will be identified in the annual budget procedure, out of which EUR 875 million in H1a and EUR 70 million in H4.

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<sup>1</sup> A part of the overall top-ups have already been agreed in the context of the 2017 budgetary procedure. The 2017 budget thus includes EUR 200 million in Heading 1a and EUR 725 million in Heading 4. Moreover, the European Parliament and the Council agreed to provide EUR 500 million in Heading 1b for the Youth Employment Initiative in 2017 to be financed by the Global margin for commitments and which will be implemented via an amending budget in 2017. Finally, the European Parliament and the Council also invited the Commission to request the necessary appropriations in an amending budget in 2017 in order to provide the financing of the EFSD from the EU budget as soon as the legal base is adopted.

## **Joint statement of the European Parliament and the Council on avoiding accumulation of an excessive amount of unpaid bills**

The European Parliament and the Council call on the Commission to continue closely scrutinising the implementation of the 2014-2020 programmes in order to ensure an orderly progression of payment appropriations consistent with the authorised commitment appropriations. To that end, they invite the Commission to present in a timely manner, throughout the remaining period of the current MFF, updated figures concerning the state of affairs and estimates regarding payment appropriations. The European Parliament and the Council will take any necessary decisions in due time for duly justified needs to prevent the accumulation of an excessive amount of unpaid bills and to ensure that payment claims are duly reimbursed.

## **Joint statement of the European Parliament and the Council on payments for Special Instruments**

The European Parliament and the Council agreed to adapt the proposal for amending Decision (EU) 2015/435 so as not to prejudice in any way the nature of payments for other special instruments in a general way.

## **Joint statement of the European Parliament and the Council concerning an independent evaluation of the results of the target of progressive reduction of staff by 5% between 2013 and 2017**

The European Parliament and the Council propose that an independent evaluation of the results of the target of progressive reduction of staff by 5% between 2013 and 2017 is undertaken, covering all institutions, bodies and agencies as agreed in the IIA of 2013 on budgetary discipline, on cooperation in budgetary matters and on sound financial management. Based on the conclusion of the evaluation, the European Parliament and the Council invite the Commission to present an appropriate follow-up proposal.

## **Statement of the European Parliament on the joint statements linked to the MFF mid-term revision**

The European Parliament recalls that the four joint statements that accompany the revised MFF Regulation are of political nature without any legal implications.

With regard to the joint statement on reinforcements (“top-ups”) and redeployments for Union programmes, it is recalled that the Treaties provide for the budgetary authority to determine the level and content of the Union budget through the annual budgetary procedure. The European Parliament stresses that, as an equal arm of the budgetary authority, it will exercise fully its prerogatives, which will not be compromised by any political declaration. The need to respect the prerogatives of the budgetary authority is also clearly reflected in the text of the joint statement.

The European Parliament understands, therefore, that the amounts indicated in this joint

statement represent reference amounts to be examined in the context of the annual budgetary procedure, taking due account of the concrete circumstances of each annual budget. Concerning, in particular, the proposed redeployments in headings 1A and 4, the European Parliament intends to examine any Commission proposals on a case-by-case basis, in order to ensure that no reduction is sustained on key Union programmes, notably if they are conducive to growth and jobs or respond to current pressing needs and present a high implementation rate.

It is evident that any amounts indicated in the joint statement that relate to legislative proposals that are not yet adopted, do not prejudice in any way the outcome of those legislative negotiations.

### **Statement of the Council on payments for Special Instruments**

The Council proposes to maintain the status quo and not establish, in the context of this review/revision, a general and over-arching rule as regards the treatment of payments for other special instruments. The opinion of the Council Legal Service stated that it will remain open for the Budgetary Authority to decide on a case-by-case basis, in respect of a specific mobilisation in question, whether or not some or all of the corresponding payments are to be counted above the MFF ceilings.

### **Statement of the Commission on reinforcing the Youth Employment Initiative and additional measures to help tackling the migration crisis and security issues**

Should the downwards trend in youth unemployment observed since 2013 reverse again, consideration should be given to increase the funding for the Youth Employment Initiative beyond the amount of EUR 1.2 billion agreed in the framework of the mid-term review/revision of the multiannual financial framework (MFF) 2014-2020 by using margins available under the Global Margin for Commitments in accordance with Article 14 of the MFF Regulation. For that purpose, the Commission will report regularly on the observed statistical trends and submit a Draft Amending Budget if appropriate.

Without prejudice to the above, additional margins available should be considered, as a matter of priority, for investing in young people across Europe and for measures helping to address the internal and external dimension of the migration crisis and security issues should new needs arise which are not covered by the existing or agreed funding. The Commission will make proposals to that end if appropriate while keeping in mind the need to maintain sufficient margins for unexpected events and the smooth implementation of already agreed programmes.