

Amendment of the 2014-2020 MFF Regulation

Using the global margin for commitments to finance measures in the healthcare sector under the Emergency Support Instrument

On 2 April 2020, as part of the EU response to the needs resulting from the coronavirus outbreak, the European Commission proposed to activate the Emergency Support Instrument and reinforce the Union Civil Protection Mechanism (rescEU). Provision of funding for these measures (€3 billion) requires mobilisation of flexibility and last resort mechanisms available under the 2014-2020 Multiannual Financial Framework (MFF). In order to use the global margin for commitments for this purpose, the Commission proposes to amend the provisions of the MFF Regulation and lift the restrictions on the scope of application of this flexibility mechanism. Consent from the European Parliament for this urgent request is expected to be voted during the 16-17 April plenary session.

Proposal to activate €3 billion to support healthcare systems

In its Draft Amending Budget 2/2020 ([DAB 2/2020](#)) the Commission proposed to activate €3 billion in commitment appropriations and €1.53 billion in payment appropriations under heading 3, 'Security and Citizenship' of the 2014-2020 MFF (see [EPRS 'at a glance' note on DAB 2/2020](#)). The resources, channeled through the Emergency Support Instrument (€2.7 billion) and [rescEU](#) (€300 million), would support the healthcare systems in EU countries fighting the COVID-19 pandemic (see below). Since the resources under heading 3 have already been exhausted, and there are no available margins or scope for redeployment, the Commission proposes to mobilise amounts still available under three [flexibility instruments](#) provided for in the 2014-2020 MFF [Regulation](#): the global margin for commitments (€2 042.4 million), the contingency margin (€714.6 million) and the flexibility instrument (€243.04 million).

Amendment of the 2014-2020 MFF Regulation

The global margin for commitments (GMC) allows the re-use of margins left below the MFF ceilings for commitment appropriations in previous years. According to Article 14 of the MFF Regulation, the scope of its application is restricted to the area of youth and employment, and since the mid-term revision of the MFF in [2017](#), to migration and security measures. The Commission [proposes](#) to remove this limitation and amend the wording of Articles 3(2) and 14 of the MFF Regulation. As a result, the GMC would become a flexibility tool of more general purpose, allowing its use for the financing of actions under the Emergency Support Instrument with amounts which otherwise would not have been available. The modification would not increase the financial obligations of the EU Member States.

Procedures in the European Parliament and the Council of the EU

For the amendment of the relevant provisions of the MFF Regulation, a special legislative procedure applies with the Council acting unanimously after receiving Parliament's consent. The proposal has been treated urgently by Parliament's Committee on Budgets ([Rule 163](#) of the Rules of Procedure of the European Parliament) and is expected to be voted, along with [DAB 2/2020](#) and other acts, during the April 2020 plenary session. Adoption of the MFF amendment is a prerequisite for the adoption of DAB 2/2020. It is noteworthy, that while the budgetary implications of the activation of the instrument are subject to Parliament's approval, the activation itself is carried out without any role for Parliament. The Council [adopted](#) the proposal for activation of the Emergency Support Instrument and DAB 2/2020 using a [written procedure](#) concluded on 14 April.

Consent procedure without committee report; [2020/055 \(APP\)](#); Committee responsible: BUDG.

Activation of the Emergency Support Instrument

The Emergency Support Instrument is one of the main elements of the [package](#) of proposals put forward by the Commission on [2 April 2020](#) (others are the EU short-time employment scheme ([SURE](#)), and the Coronavirus Response Investment [Initiative](#) plus). Created in 2016, at the peak of the refugee crisis, and then

equipped with a budget of €650 million for three years, the instrument has [proved](#) useful and relevant as a rapid and flexible tool in emergency situations. As [emphasised](#) by the Commission, given the severe humanitarian consequences and the scope of the social, economic and financial impact of the COVID-19 pandemic, it is also a suitable tool to apply in the current situation. Activation of this emergency assistance is based on the principle of solidarity enshrined in Article 122 of the Treaty on the Functioning of the European Union (TFEU) and requires the adoption of the Commission's [proposal](#) for a Council regulation on the provision of emergency support within the Union ([2016/369](#)) with some provisions amended in respect of the COVID-19 outbreak. Despite the contribution to this instrument from the EU budget, the decision on its activation is taken by the Council alone, without Parliament's involvement. The creation of such an ad hoc mechanism with strong links to the EU budget but without full observance of Parliament's prerogatives as co-legislator was previously [criticised](#) when the Emergency Support Instrument was first used to address the refugee crisis.

The general objective of the instrument is to provide emergency support within the EU to address urgent humanitarian needs, assistance, relief and operations to preserve life. By taking coordinated action and providing financial means, the EU will assist the national administrations in managing the ongoing health emergency and its aftermath, including through:

- wider and faster stock-piling and coordination of essential resource distribution across Europe;
- import and transport of protective gear across the EU;
- cross-border transport of patients to hospitals;
- cross-border cooperation to alleviate the pressure on health systems in the most affected EU regions;
- central procurement and distribution of essential medical supplies to hospitals and emergency supply of protective gear for hospital staff, such as respirators, ventilators, personal protective equipment, reusable masks, medicines, therapeutics, and laboratory supplies and disinfectants;
- improvement of production capacities of EU enterprises to ensure rapid production and deployment of essential equipment, products, medicines and material needed to urgently address supply shortages;
- support for the construction of temporary field hospitals and converted facilities;
- increasing the production of testing kits and support for acquiring key basic substances;
- boosting the swift development of medication and testing methods;
- developing, purchasing and distributing testing supplies (testing kits, reagents, hardware).

These actions will be complemented by the reinforced Union Civil Protection Mechanism (rescEU). The Mechanism, for which the EU has [allocated](#) €80 million in March 2020 in the context of the COVID-19 pandemic, will provide direct, 100 % financing for joint procurement and purchase of necessary equipment on behalf of the Member States. Managed at the EU level, the stock-pile of medical equipment will be hosted by one or more Member States and dispatched at short notice in case of insufficient national capacity.

The Commission proposed to introduce the Emergency Support Instrument for a period of two years as of 1 February 2020. This means that grants will be able to be awarded retroactively for actions started after that date. As [explained](#) by Gert-Jan Koopman, the European Commission's Director-General for Budget, for the management of the assistance, the Commission has created a cross-department task force, which would cooperate with the national and regional authorities, NGOs and health organisations involved in the implementation of the instrument on the ground. Apart from the financing requested under DAB 2/2020, the resources dedicated to the instrument can be complemented by direct contributions from the national and regional authorities, foundations, individual donations and crowdfunding.

The instrument also applies to the United Kingdom, currently in the transition period under its EU withdrawal agreement, within the EU budget for 2020.

