



Council of the
European Union

Brussels, 31 July 2017
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FIN 499

PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 28 July 2017

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2017) 480 final

Subject: Proposal for a Decision of the European Parliament and of the Council on
the mobilisation of the Flexibility Instrument to provide the financing for the
European Fund for Sustainable Development

Delegations will find attached document COM(2017) 480 final.

Encl.: COM(2017) 480 final



Brussels, 28.7.2017
COM(2017) 480 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the mobilisation of the Flexibility Instrument to provide the financing for the
European Fund for Sustainable Development**

EXPLANATORY MEMORANDUM

Council Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020¹ (hereafter "the MFF regulation"), allows for the mobilisation of the Flexibility Instrument to allow the financing of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more headings of the multiannual financial framework.

In accordance with Article 11 of the MFF regulation and point 12 of the 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 management², after having examined all possibilities for re-allocating appropriations and exhausted any unallocated margin under the expenditure heading *Global Europe* (heading 4), the Commission proposes to mobilise the Flexibility Instrument in 2017 for an amount of EUR 275 million.

The availability of the Flexibility Instrument³ is as follows: an annual amount available of EUR 600 million (2011 prices) corresponding to EUR 676 million in current prices increased by lapsed amounts from the European Union Solidarity Fund and the European Globalisation Adjustment Fund (the amount lapsing at the end of 2016 was EUR 646 million). Taking into account the mobilisation of EUR 530 million in the context of the budget 2017 to finance immediate budgetary measures to address the on-going migration, refugee and security crisis⁴, the overall availability of the Flexibility Instrument in 2017 is EUR 792 million.

This mobilisation concerns an amount of EUR 275 million over and above the ceiling of heading 4 of the multiannual financial framework, and is intended to finance the provisioning 2017 of the European Fund for Sustainable Development (EFSD).

The indicative payment appropriations corresponding to the proposed mobilisation of the Flexibility Instrument are presented in the table below:

(in million EUR, at current prices)

Year	Payment appropriations related to the mobilisation of the flexibility instrument for measures for provisioning the EFSD in 2017
2017	275,0
Total	275,0

¹ OJ L 347, 20.12.2013, p. 884.

² OJ C 373, 20.12.2013, p. 1.

³ The calculations are without prejudice to the amendment of the Communication from the Commission to the Council and the European Parliament, Technical adjustment of the financial framework for 2018 for 2018 in line with movements in GNI (ESA 2010) (COM(2017)220), which should take into account the increase of the amounts available to the Flexibility instrument following the entry into force of the Regulation (EU) No 2017/1123.

⁴ OJ L 50, 28.2.2017, p. 53.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the Flexibility Instrument to provide the financing for the European Fund for Sustainable Development

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the 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 management⁵, and in particular the third subparagraph of point 12 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Flexibility Instrument is intended to allow the financing of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings.
- (2) The ceiling on the annual amount available for the Flexibility Instrument is EUR 600 000 000 (2011 prices), as laid down in Article 11 of Council Regulation (EU, EURATOM) No 1311/2013⁶.
- (3) In order to address the ongoing challenges of migration, refugee inflows and security threats, it is necessary to mobilise significant additional amounts to finance appropriate measures as a matter of urgency.
- (4) Having examined all possibilities for re-allocating appropriations under the expenditure ceiling for heading 4 (*Global Europe*), it is necessary to mobilise the Flexibility Instrument to supplement the financing available in the general budget of the Union for the financial year 2017, beyond the ceilings of heading 4 by the amount of EUR 275 000 000 to provide the financing for the European Fund for Sustainable Development (EFSD). This amount includes amounts lapsed in the previous years of the European Union Solidarity Fund and of the European Globalisation Adjustment Fund in accordance with Article 11(1) of Regulation (EU, Euratom) No 1311/2013.
- (5) On the basis of the expected payment profile, the payment appropriations corresponding to the mobilisation of the Flexibility Instrument should be allocated to 2017 only,

⁵ OJ C 373, 20.12.2013, p. 1.

⁶ 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).

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the Union for the financial year 2017, the Flexibility Instrument shall be mobilised to provide the amount of EUR 275 000 000 in commitment and payment appropriations in heading 4 (*Global Europe*).

The amount referred to in the first paragraph shall be used to provide the provisioning of the European Fund for Sustainable Development Guarantee fund.

Article 2

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President