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FIN 993

"I/A" ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. Cion doc.:	10341/14 FIN 390 - COM(2014) 328 final
Subject:	Proposal for a Decision of the European Parliament and of the Council on the mobilisation of the Contingency Margin in 2014

1. On 2 June 2014, the Commission submitted to the Council a proposal for a Decision of the European Parliament and of the Council on the mobilisation of the Contingency Margin.

The purpose of this proposal is to complement the payment appropriations related to expenditure in sub-headings 1a and 1b, and headings 2 and 4 of the general budget of the EU for the financial year 2014, over and above the multiannual financial framework ceiling of EUR 135 866 million for payments.

2. At the trilogue on 8 December 2014, the European Parliament and the Council reached an *ad referendum* agreement on the mobilisation of the Contingency Margin in 2014 in the context of the draft package comprising the new draft budget for 2015, the outstanding draft amending budgets relating to 2014 and draft statements.

According to that agreement, the Contingency Margin is mobilised in the financial year 2014 for an amount of EUR 2 818.2 million plus EUR 350 million in payment appropriations, in line with the joint statement on special instruments recorded in section 3.3 of Annex 1 to document 16707/14 FIN 988 INST 616 PE-L 94.

3. On 9 December 2014, the Permanent Representative Committee reached a political agreement on the above mentioned package.
 4. Therefore, the Permanent Representative Committee is invited to advise the Council to confirm the agreement reached on the mobilisation of the Contingency Margin and to consequently adopt the text of the Decision as set out in the Annex.
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**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on the mobilisation of the Contingency Margin**

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 management¹, and in particular point 14 thereof,

Having regard to the proposal from the European Commission,

Whereas,

- (1) Article 13 of Council Regulation (EU, Euratom) No 1311/2013² has established a Contingency Margin of up to 0,03 % of the Gross National Income of the Union.
- (2) In accordance with Article 6 of that Regulation, the Commission has calculated the absolute amount of the Contingency Margin for 2014³.

¹ OJ C 373, 20.12.2013, p. 1.

² 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).

³ Communication from the Commission to the Council and the European Parliament of 20 December 2013 on the technical adjustment of the financial framework for 2014 in line with movements in GNI (COM(2013) 928).

- (3) After having examined all other financial possibilities to react to unforeseen circumstances that have arisen after the multiannual financial framework payment ceiling for 2014 was first established in February 2013, it appears necessary to mobilise the Contingency Margin to complement the payment appropriations in the general budget of the European Union for the financial year 2014, above the payment ceiling.
- (4) An amount of EUR 350 million in payment appropriations should be included in the mobilisation of the Contingency Margin pending an agreement on payments for other special instruments.
- (5) Having regard to the very particular situation which has arisen this year, the last-resort condition in Article 13(1) of Regulation (EU, Euratom) No 1311/2013 is fulfilled.
- (6) To ensure compliance with Article 13(3) of Regulation (EU, Euratom) No 1311/2013, the Commission should present a proposal on the offsetting of the relevant amount in the MFF payment ceilings for one or more future financial years, having due regard to the agreement on payments for other special instruments, and without prejudice to the institutional prerogatives of the Commission,

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2014, the Contingency Margin shall be used to provide the sum of EUR 3 168 233 715 in payment appropriations over and above the payment ceiling of the multiannual financial framework

Article 2

The sum of EUR 2 818 233 715 shall be offset in three instalments against the margins under the payment ceilings for the following years:

- (a) 2018: EUR 939 411 200
- (b) 2019: EUR 939 411 200
- (c) 2020: EUR 939 411 315

The Commission is invited to present in a timely manner a proposal concerning the remaining amount of EUR 350 million.

Article 3

This decision shall be published in the *Official Journal of the European Union*.

Done at

For the European Parliament
The President

For the Council
The President
