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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

Technical adjustment in respect of special instruments for 2020 (Article 6(1)(e) and (f) of Council Regulation No 1311/2013 laying down the multiannual financial framework for the years 2014-2020)

1. INTRODUCTION

The regulation laying down the multiannual financial framework (MFF regulation) for the years 2014-2020 as last amended by Council Regulation (EU, Euratom) No 2017/1123 of 20 June 2017[1] and adjusted as shown in the communication on the technical adjustment for 2020[2] contains the financial framework table for the period 2014-2020, expressed in 2011 prices (Table 1).

According to Article 6(1) of the MFF regulation, the Commission makes each year, ahead of the budgetary procedure for year n+1, a technical adjustment to the multiannual financial framework (MFF) in line with movements in the EU's gross national income (GNI) and prices and communicates the results to the Council and the European Parliament. The adjustment of the ceilings in line with Article 6(1) was done in the technical adjustment for 2020 in May 2019 and based on Article 6(4) it is not being updated.

The Communication on the technical adjustment for 2020 has indicated the availability of the special instruments for the years 2019 and 2020 according to Article 6(1)(e) and (f) of the MFF Regulation for the availability of the Global margin for commitments and Flexibility instrument respectively as known in spring 2019. The purpose of this communication is to present to the Council and the European Parliament the additional availabilities of the special instruments according to Article 6(1)(e) and (f) of the MFF Regulation for the the Global margin for commitments and Flexibility instrument respectively for the year 2020, which became available at the end of 2019.

The communication also shows the available amounts of all special instruments and their use since 2014 for information.

2. GLOBAL MARGIN FOR PAYMENTS (GMP)

According to Article 5 of the MFF Regulation, the Commission shall adjust the payment ceiling for the years 2015-2020 upwards by an amount equivalent to the difference between the executed payments and the MFF payment ceiling of the year n-1. Any upward adjustment shall be fully offset by a corresponding reduction of the payment ceiling for year n-1 in constant 2011 prices.

No recalculation of the GMP is done for 2020 as the threshold set by Article 5(2) of the MFF Regulation has been reached in the technical adjustment for 2020 adopted in May 2019.

3. SPECIAL INSTRUMENTS

A number of instruments are available outside expenditure ceilings agreed in the financial framework 2014-2020. These instruments aim to provide rapid response to exceptional or unforeseen events, and provide some flexibility beyond the agreed expenditure ceilings within certain limits.

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1 OJ L 163, 24.6.2017, p.1.

2 COM(2019) 310 final of 15.05.2019.

3.1. Emergency Aid Reserve (EAR)

According to Article 9 of the amended MFF Regulation the *Emergency Aid Reserve* can be mobilised up to a maximum amount of EUR 300 million per year in 2011 prices, or EUR 358,5 million in 2020 at current prices (EUR 2 301,4 million for the whole period in current prices). The portion of the unused amount of the previous year can be carried over to the following year. The carry-over from 2019 to 2020 amounts to EUR 45,6 million.

The table below shows the details of the annual availabilities and usage of the EAR since 2014:

Emergency Aid Reserve								
								EUR million
	2014	2015	2016	2017	2018	2019	2020	**Total**
Annual amounts in 2011 prices	280	280	280	300	300	300	300	**2 040**
Annual amounts in current prices	297,0	303,0	309,0	337,8	344,6	351,5	358,5	**2 301,4**
Carried-over from the previous year	0,0	198,9	219,4	98,6	61,7	34,1	45,6	
Annual usage	98,1	282,5	429,8	374,7	372,2	340,0		**1 897,3**
Carried-over to the following year	198,9	219,4	98,6	61,7	34,1	45,6		
Lapsed	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*		***0,0***

3.2. European Union Solidarity Fund (EUSF)

According to Article 10 of the MFF Regulation, the *EU Solidarity Fund* can be mobilised up to a maximum amount of EUR 500 million per year in 2011 prices, or EUR 597,5 million in 2020 at current prices (EUR 3 944,7 million for the whole period in current prices). The portion of the unused amount of the previous year can be carried over to the following year. The carry-over from 2019 to 2020 amounted to EUR 553,0 million. No amount lapsed at the end of 2019.

The table below shows the details of the annual availabities and usage of the EUSF since 2014:

European Union Solidarity Fund								
								EUR million
	2014	2015	2016	2017	2018	2019	2020	**Total**
Annual amounts in 2011 prices	500	500	500	500	500	500	500	**3 500**
Annual amounts in current prices	530,6	541,2	552,0	563,1	574,3	585,8	597,5	**3 944,7**
Carried-over from the previous year	0,0	403,9	541,2	552,0	140,8	265,3	553,0	
Frontloaded from the following year	0,0	0,0	0,0	294,0	-294,0	0,0	0,0	
Annual usage	126,7	82,8	33,1	1 268,3	155,9	298,1		**1 964,9**
Carried-over to the following year	403,9	541,2	552,0	140,8	265,3	553,0		
Lapsed	*0,0*	*321,1*	*508,1*	*0,0*	*0,0*	*0,0*		***829,2***

3.3. Flexibility Instrument

According to Article 11 of the amended MFF Regulation the *Flexibility Instrument* can be mobilised up to a maximum annual amount of EUR 600 million in 2011 prices, or EUR 717 million in 2020 in current prices (EUR 4 315 million for the whole period in current prices). The portion of the unused annual amounts of the previous 3 years may be carried over.

According to Article 6(1)f refering to Art 11(1) second subparagraph *each year, starting in 2017, the annual amount available for the Flexibility Instrument shall be increased by* the amounts equivalent to the portion of the annual amount for the

European Union Solidarity Fund and the European Globalisation Adjustment Fund which have lapsed in the previous year.

The table below shows the details of the annual availabilities and usage of the Flexibility Instrument since 2014:

Flexibility Instrument								
								EUR million
	2014	2015	2016	2017	2018	2019	2020	**Total**
Annual amounts in 2011 prices	471	471	471	600	600	600	600	**3 813**
Annual amounts in current prices	500	510	520	676	689	703	717	**4 315**
Carried-over from the previous year	276,0	686,7	1010,0	0,0	517,0	519,8	202,4	
Increased with lapsed amount of EGF				*138*	*151*	*144*	*175*	***608***
Increased with lapsed amount of EUSF				*508*	*0*	*0*	*0*	***508***
Annual usage	89,3	149,4	1 530,0	805,0	837,2	1 164,3	778,1	**5 353,4**
Carried-over to the following year	686,7	1 010,0	0,0	517,0	519,8	202,4	0,0	
Available	0,0	0,0	0,0	0,0	0,0	0,0	316,3	**316,3**
Lapsed	*0,0*	*37,2*	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*	***37,2***

3.4. European Globalisation Adjustment Fund (EGF)

According to Article 12 of the MFF Regulation, the *European Globalisation Adjustment Fund* can be mobilised up to a maximum of EUR 150 million per year in 2011 prices, or EUR 179,3 million in 2020 in current prices (EUR 1 183,4 million for the whole period in current prices). Unused amounts of previous year cannot be carried over. The amount of EUR 175,1 million which lapsed at the end of 2019 is used to increase Flexibilty Instrument in 2020.

The table below shows the details of the annual availabilities and usage of the EGF since 2014:

European Globalisation Adjustment Fund								
								EUR million
	2014	2015	2016	2017	2018	2019	2020	**Total**
Annual amounts in 2011 prices	150	150	150	150	150	150	150	**1 050**
Annual amounts in current prices	159,2	162,4	165,6	168,9	172,3	175,7	179,3	**1 183,4**
Annual usage	81,0	43,4	28,0	18,1	28,0	0,6		**199,1**
Lapsed	*78,2*	*119,0*	*137,6*	*150,8*	*144,3*	*175,1*		***629,9***

3.5. Contingency Margin

According to Article 13 of the MFF Regulation, a Contingency Margin of up to 0.03 % of the Gross National Income of the Union shall be constituted outside the ceilings of the financial framework for the period 2014-2020.

The absolute amount of the Contingency Margin for the year 2020 is EUR 5 096,8 million, as established in the technical adjustment of the MFF for 2020 adopted in May 2019.

The table below shows the details of the annual availabilities and usage of the Contingency Margin since 2014:

Contingency Margin								
								EUR million
	2014	2015	2016	2017	2018	2019	2020	**Total**
Annual amounts available	4 026,7	4 175,4	4 438,2	4 496,8	4 711,3	4 946,7	5 096,8	**31 892**
Annual usage								
In commitments	0,0	0,0	240,1	1 906,2	0,0	0,0	0,0	**2 146,3**
In payments	2 818,2	0,0	0,0	0,0	0,0	0,0	0,0	**2 818,2**
Annual offset								
In commitments	0,0	0,0	-240,1	-1 082,3	-318,0	-253,9	-252,0	**-2 146,3**
In payments	0,0	0,0	0,0	-2 818,2	0,0	0,0	0,0	**-2 818,2**

3.6. Global margin for commitments for growth and employment, in particular youth employment, and for migration and security measures (GMC)

According to Article 14 of the MFF Regulation, as amended by Council Regulation (EU, Euratom) No 2017/1123, 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.

In the final budget 2019 the margin left available under the commitment ceiling amounts to EUR 1 291,1 million. The commitments on Special instruments (including the use of GMC and the Contingency margin) are not taken into account as they are implemented over and above the MFF ceilings.

According to Article 6(2) of the MFF Regulation, the 2% annual deflator shall be used for the calculation of the GMC. The amount of the remaining margin from 2019 which shall be made available for 2020 corresponds to EUR 1 316,9 million in current prices. The amount of GMC in 2011 prices corresponds to EUR 1 101,9 million.

The table below shows the details of the calculation of the GMC 2019:

Global margin for commitments - 2019	
	EUR million
Ceiling CA 2019	164 123,0
Total authorised appropriations budget 2019	166 189,2
of which special instruments:	3 357,3
European Union Solidarity Fund	343,6
European Globalisation Adjustment Fund	175,7
Emergency Aid Reserve	351,5
Flexibility instrument	1 164,3
Contingency margin	-253,9
GMC mobilised in 2019	1 576,0
Global margin for commitments 2019 (current prices)	**1 291,1**
Global margin for commitments 2019 (2011 prices)	*1 101,9*
GMC 2019 available in 2020 (current prices)	**1 316,9**

Currently, a portion of the GMC 2018 (EUR 1 075,5 million in 2020 prices) remains available. The overall availability of the GMC in 2020 is therefore EUR 2 392,4 million (in 2020 prices).

The table below shows the details of the availabilities and usage of the GMC since 2014:

	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Commitment margin available at year-end (confirmed by annual TAJU)	521,9	1 383,2	2 090,2	1 115,5	1 390,9	1 291,1	
Annual GMC available	**0,0**	**0,0**	**1 953,9**	**3 571,1**	**2 802,4**	**2 894,7**	**2 662,0**
GMC 2014	-	-	*543,0*	*0,0*	*0,0*	*0,0*	*0,0*
GMC 2015	-	-	*1 410,9*	*1 439,1*	*0,0*	*0,0*	*0,0*
GMC 2016	-	-	-	*2 132,0*	*1 664,6*	*315,4*	*0,0*
GMC 2017	-	-	-	-	*1 137,8*	*1 160,6*	*0,0*
GMC 2018	-	-	-	-	-	*1 418,7*	*1 345,1*
GMC 2019	-	-	-	-	-	-	*1 316,9*
Annual use of GMC	**0,0**	**0,0**	**-543,0**	**-1 939,1**	**-1 355,6**	**-1 576,0**	**-269,6**
GMC 2014	-	-	*-543,0*	*0,0*	*0,0*	*0,0*	*0,0*
GMC 2015	-	-	*0,0*	*-1 439,1*	*0,0*	*0,0*	*0,0*
GMC 2016	-	-	-	*-500,0*	*-1 355,6*	*-315,4*	*0,0*
GMC 2017	-	-	-	-	*0,0*	*-1 160,6*	*0,0*
GMC 2018	-	-	-	-	-	*-100,0*	*-269,6*
GMC 2019	-	-	-	-	-	-	
Remaining GMC at year-end	**0,0**	**0,0**	**1 410,9**	**1 632,0**	**1 446,8**	**1 318,7**	**2 392,4**
GMC 2014	-	-	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*
GMC 2015	-	-	*1 410,9*	*0,0*	*0,0*	*0,0*	*0,0*
GMC 2016	-	-	-	*1 632,0*	*309,0*	*0,0*	*0,0*
GMC 2017	-	-	-	-	*1 137,8*	*0,0*	*0,0*
GMC 2018	-	-	-	-	-	*1 318,7*	*1 075,5*
GMC 2019	-	-	-	-	-	-	*1 316,9*