



Council of the  
European Union

Brussels, 5 July 2016  
(OR. en)

10927/16

FIN 437

**COVER NOTE**

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From:	Ms Kristalina GEORGIEVA, Vice-president of the European Commission
date of receipt:	5 July 2016
To:	Mr Peter KAŽIMÍR, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 16/2016 within Section III - Commission - of the general budget for 2016

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Delegations will find attached Commission document DEC 16/2016.

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Encl.: DEC 16/2016



BRUSSELS, 05/07/2016

GENERAL BUDGET - 2016  
SECTION III - COMMISSION TITLES: 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 16/2016

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**FROM**

**CHAPTER - 4002** Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve (Carry Over)	Commitments	-29 377 866,00
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ARTICLE - 40 02 42 Emergency aid reserve	Commitments	-622 134,00
	Payments	-24 000 000,00

**TO**

**CHAPTER - 2302** Humanitarian aid, food aid and disaster preparedness

ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food aid	Commitments	622 134,00
	Payments	24 000 000,00

ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food aid (Carry Over)	Commitments	29 377 866,00
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## I. DECREASE

### I.1

#### a) Heading

**40 02 42 - Emergency aid reserve (Carry Over)**

#### b) Figure at 15/06/2016

	<b>Commitments</b>
1A Appropriation in budget (Carry Over)	219 377 866,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-150 000 000,00
3 Final appropriation for the year (1A+1B+2)	69 377 866,00
4 Utilisation of final appropriation	0,00
<b>5 Amount not used/available (3-4)</b>	<b>69 377 866,00</b>
<b>6 Requirements up to year-end</b>	<b>40 000 000,00</b>
<b>7 Proposed decrease</b>	<b>29 377 866,00</b>
8 Decrease as percentage of appropriation in budget (7/1A)	13,39 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

#### c) Receipts arising from recovery (carried over from previous year)

	<b>Commitments</b>
1 Appropriations available at start of the year	0,00
2 Appropriations available on 15/06/2016	0,00
3 Rate of utilisation [(1-2)/1]	n/a

#### d) Detailed grounds for the transfer

According to article 9 of the Multiannual Financial Framework the Emergency Aid Reserve (EAR) is intended to allow for a rapid response to specific aid requirements of third countries following events which could not be foreseen when the budget was established; first and foremost for humanitarian operations, but also for civil crisis management and protection, and situations of particular pressure resulting from migratory flows at the Union's external borders, where circumstances so require.

## I.2

### a) Heading

40 02 42 - Emergency aid reserve

### b) Figure at 15/06/2016

	<b>Commitments</b>	<b>Payments</b>
1A Appropriation in budget (Initial Budget + AB)	309 000 000,00	309 000 000,00
1B Appropriation in budget (EFTA)	0,00	0,00
2 Transfers	0,00	0,00
3 Final appropriation for the year (1A+1B+2)	309 000 000,00	309 000 000,00
4 Utilisation of final appropriation	0,00	0,00
<b>5 Amount not used/available (3-4)</b>	<b>309 000 000,00</b>	<b>309 000 000,00</b>
<b>6 Requirements up to year-end</b>	<b>308 377 866,00</b>	<b>285 000 000,00</b>
<b>7 Proposed decrease</b>	<b>622 134,00</b>	<b>24 000 000,00</b>
8 Decrease as percentage of appropriation in budget (7/1A)	0,20 %	7,77 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a	n/a

### c) Receipts arising from recovery (carried over from previous year)

	<b>Commitments</b>	<b>Payments</b>
1 Appropriations available at start of the year	0,00	0,00
2 Appropriations available on 15/06/2016	0,00	0,00
3 Rate of utilisation [(1-2)/1]	n/a	n/a

### d) Detailed grounds for the transfer

Same as page 2.

## **II. INCREASE**

### **II.1**

#### **a) Heading**

#### **23 02 01 - Delivery of rapid, effective and needs-based humanitarian aid and food aid**

#### **b) Figure at 15/06/2016**

	<b>Commitments</b>	<b>Payments</b>
1A Appropriation in budget (Initial Budget + AB)	1 061 821 941,00	1 428 753 205,00
1B Appropriation in budget (EFTA)	0,00	0,00
2 Transfers	0,00	0,00
3 Final appropriation for the year (1A+1B+2)	1 061 821 941,00	1 428 753 205,00
4 Utilisation of final appropriation	934 105 000,00	779 913 553,88
<b>5 Amount not used/available (3-4)</b>	<b>127 716 941,00</b>	<b>648 839 651,12</b>
<b>6 Requirements up to year-end</b>	<b>128 339 075,00</b>	<b>672 839 651,12</b>
<b>7 Proposed increase</b>	<b>622 134,00</b>	<b>24 000 000,00</b>
8 Increase as percentage of appropriation in budget (7/1A)	0,06 %	1,68 %
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a	n/a

#### **c) Receipts arising from recovery (carried over from previous year)**

	<b>Commitments</b>	<b>Payments</b>
1 Appropriations available at start of the year	306 860,31	20 141,75
2 Appropriations available on 15/06/2016	306 860,31	0,00
3 Rate of utilisation [(1-2)/1]	0,00 %	100,00 %

#### **d) Detailed grounds for the transfer**

In Yemen, 21.2 million people (82% of the population) are in need of assistance as result of the military conflict. Large scale displacement continues at an alarming pace. As of May 2016, almost 2.8 million people were internally displaced. Widespread food insecurity, affecting 14.4 million people, and acute malnutrition (3 million children and pregnant and lactating women) are of immediate concern. Unless food access improves dramatically, a sharp increase in the number of people facing emergency food insecurity can be expected between May and September 2016.

At the same time, due to funding shortfalls, the World Food Programme (WFP) was forced to reduce the size of food ration it provides to 75% of full entitlements in the first quarter of 2016. WFP will face shortfalls for its general food distribution and commodity vouchers activities under the emergency operation as July 2016. Additional resources are required to prevent a break in the pipeline and/or a drastic reduction in food assistance.

Based on a thorough needs assessment, additional EU assistance in the amount of EUR 30 million is needed.

The magnitude of the identified needs for this crisis exceeds the current availabilities in the Humanitarian aid instrument.

As of 1 June, the overall implementation rate in commitment appropriations of the humanitarian aid chapter was at 89% (and 89% for the main line "Humanitarian aid and food assistance" 23 02 01). In payment appropriations it was at 49% for the humanitarian chapter and 48% for the main line. The balance in the Operational Reserve (OR) for Humanitarian aid, after taking into account all pending requests, will be at EUR 85 million. This amount is needed to cover crises and natural disasters until the end of the year.

The Commission has also considered possibilities for redeployment from other policy areas in Heading 4. However, at this stage of the year no such availabilities could be identified.

The Commission therefore presents a request for the mobilisation of the Emergency Aid Reserve in the amount of EUR 30 million in commitment and EUR 24 million in payment appropriations for the above mentioned crisis.

(For more information, see Annex).

## **II.2**

### **a) Heading**

**23 02 01 - Delivery of rapid, effective and needs-based humanitarian aid and food aid (Carry Over)**

### **b) Figure at 15/06/2016**

	<b>Commitments</b>
1A Appropriation in budget (Carry Over)	0,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	150 000 000,00
3 Final appropriation for the year (1A+1B+2)	150 000 000,00
4 Utilisation of final appropriation	150 000 000,00
<b>5 Amount not used/available (3-4)</b>	<b>0,00</b>
<b>6 Requirements up to year-end</b>	<b>29 377 866,00</b>
<b>7 Proposed increase</b>	<b>29 377 866,00</b>
8 Increase as percentage of appropriation in budget (7/1A)	n/a
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

### **c) Receipts arising from recovery (carried over from previous year)**

	<b>Commitments</b>
1 Appropriations available at start of the year	306 860,31
2 Appropriations available on 15/06/2016	306 860,31
3 Rate of utilisation [(1-2)/1]	0,00 %

### **d) Detailed grounds for the transfer**

Same as pages 4 and 5.

## YEMEN

<b>Key financial information related to this crisis</b>	
<b>Total amount committed in 2015 for this crisis</b>	<b>EUR 50 million</b>
Amount committed through 2016 initial Humanitarian Implementation Plan (HIP)	EUR 30 million
Funds already committed this year for this crisis from:	
- Humanitarian Aid Operational Reserve	0
- Emergency Aid Reserve	0
- European Development Fund (EDF)	0
- Small Scale Response	EUR 0.3 million
<b>Total amount committed this year (including EDF)</b>	<b>EUR 30.3 million</b>
Other donors (source Financial Tracking Service, as of 19/04/2016)	USD 350.8 million

<b>Additional needs</b>
EUR 30 million

<b>When the funds are needed?</b>
June 2016

<b>Why additional funding is needed?</b>
<p>More than a year after the beginning of the conflict, Yemen has turned into the biggest humanitarian crisis in absolute terms: 21.2 million people (82% of the population) are in need of assistance.</p> <p>As of May 2016, almost 2.8 million people are internally displaced, a 13% increase in just one month. Widespread food insecurity, affecting 14.4 million people and acute malnutrition (3 million children and pregnant and lactating women in need of treatment) combined with increasing trend of internal displacement represent an immediate concern. Unless food access improves dramatically, a sharp increase in the number of people facing emergency food insecurity can be expected by September 2016.</p> <p>At the same time, due to funding shortfalls, the World Food Programme (WFP) was forced to reduce the ration sizes to 75% of full entitlements in the first quarter of 2016. WFP will face shortfalls for its general food distribution and commodity vouchers activities under the emergency operation starting from July 2016. Additional resources are required to prevent a break in the pipeline or a drastic reduction in food assistance.</p> <p>The 2016 Yemen Humanitarian Response Plan is currently funded at only 16%. This prevents humanitarian partners from scaling up operations, even if in some areas access is possible and minimum security conditions are guaranteed. Several humanitarian partners have the capacity to expand their operations, but presently don't dispose of sufficient funding to maintain even the current level of assistance.</p>



The cessation of hostilities which started on 10 April 2016 creates conditions for humanitarian actors to expand operations in certain areas, monitor hard to reach areas and engage in assessments that would provide basis for new interventions. If the current new round of peace talks succeeds, access could improve in areas which were heavily affected and where households are in urgent need of life-saving assistance.

**What will it be used for?**

This additional funding will allow partners to expand emergency food distributions among local communities and more specifically Internally Displaced Persons across the country. Further life-saving support for populations which have been particularly affected by the conflict will also be considered.

**COMMISSION TRANSFER PROPOSALS RELATED TO THE EMERGENCY AID RESERVE IN 2016**

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2016 which relate to the Emergency Aid Reserve (EAR), and the remaining amount of the EAR reserve following the approval of these proposals.

<b>Transfer Ref</b>	<b>Content</b>	<b>Commitment Appropriations from 2016 Reserve (EUR)</b>	<b>Commitment Appropriations from Reserve carried-over (EUR)</b>	<b>Payment Appropriations from 2016 Reserve (EUR)</b>
DEC 05	Mobilisation of the EAR for additional humanitarian aid for the Syria crisis		150.000.000	
DEC 15	Mobilisation of the EAR for additional humanitarian aid for Sudan and South Sudan		40.000.000	27.000.000
DEC 16	Mobilisation of the EAR for additional humanitarian aid for Yemen	622.134	29.377.866	24.000.000
DEC 17	Mobilisation of the EAR for additional humanitarian aid for Iraq	30.000.000		23.000.000
DEC 18	Mobilisation of the EAR for additional humanitarian aid for Turkey	55.000.000		44.000.000
	<b>Total of Proposals</b>	85.622.134	219.377.866	118.000.000
	<b>Remainder</b>	223.377.866	0	191.000.000
	<b>Total remainder of commitment appropriations</b>	223.377.866		