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European Union

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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 17/2016 within Section III - Commission - of the general budget for 2016 |

Delegations will find attached Commission document DEC 17/2016.

Encl.: DEC 17/2016



BRUSSELS, 05/07/2016

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

TRANSFER OF APPROPRIATIONS N° DEC 17/2016

FROM

CHAPTER - 2303 The Union Civil Protection Mechanism

| | | |
|--|----------|---------------|
| ITEM - 23 03 77 03 Pilot project -- Early-warning system for natural disasters | Payments | -1 000 000,00 |
|--|----------|---------------|

CHAPTER - 4002 Reserves for financial interventions

| | | |
|--|-------------|----------------|
| ARTICLE - 40 02 42 Emergency aid reserve | Commitments | -30 000 000,00 |
| | Payments | -23 000 000,00 |

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 | 30 000 000,00 |
| | Payments | 24 000 000,00 |

I. DECREASE

I.1

a) Heading

23 03 77 03 - Pilot project -- Early-warning system for natural disasters

b) Figure at 20/06/2016

| | Payments |
|--|---------------------|
| 1A Appropriation in budget (Initial Budget + AB) | 1 000 000,00 |
| 1B Appropriation in budget (EFTA) | 0,00 |
| 2 Transfers | 0,00 |
| 3 Final appropriation for the year (1A+1B+2) | 1 000 000,00 |
| 4 Utilisation of final appropriation | 0,00 |
| 5 Amount not used/available (3-4) | 1 000 000,00 |
| 6 Requirements up to year-end | 0,00 |
| 7 Proposed decrease | 1 000 000,00 |
| 8 Decrease as percentage of appropriation in budget (7/1A) | 100,00 % |
| 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)

| | Payments |
|---|-----------------|
| 1 Appropriations available at start of the year | 0,00 |
| 2 Appropriations available on 20/06/2016 | 0,00 |
| 3 Rate of utilisation [(1-2)/1] | n/a |

d) Detailed grounds for the transfer

The financing decision for the Pilot Project in the area of Early Warning System for natural disasters was adopted in June 2015 for the amount of EUR 2.5 million. Following the call for tender, the contract was signed in December 2015 and a pre-financing of EUR 0.75 million was paid. Due to delays in implementation and reporting, the interim payment is now previewed for February 2017, instead of 2016. The final report and the payment of the balance will also be postponed for the beginning of 2018.

As a result, the amount of EUR 1 million in payment appropriations can be made available in 2016.

I.2

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 20/06/2016

| | Commitments | Payments |
|--|-----------------------|-----------------------|
| 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 |
| 5 Amount not used/available (3-4) | 309 000 000,00 | 309 000 000,00 |
| 6 Requirements up to year-end | 279 000 000,00 | 286 000 000,00 |
| 7 Proposed decrease | 30 000 000,00 | 23 000 000,00 |
| 8 Decrease as percentage of appropriation in budget (7/1A) | 9,71 % | 7,44 % |
| 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)

| | Commitments | Payments |
|---|--------------------|-----------------|
| 1 Appropriations available at start of the year | 0,00 | 0,00 |
| 2 Appropriations available on 20/06/2016 | 0,00 | 0,00 |
| 3 Rate of utilisation [(1-2)/1] | n/a | 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.

II. INCREASE

II.1

a) Heading

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

b) Figure at 20/06/2016

| | Commitments | Payments |
|--|-----------------------|-----------------------|
| 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 | 948 105 000,00 | 806 472 205,39 |
| 5 Amount not used/available (3-4) | 113 716 941,00 | 622 280 999,61 |
| 6 Requirements up to year-end | 143 716 941,00 | 646 280 999,61 |
| 7 Proposed increase | 30 000 000,00 | 24 000 000,00 |
| 8 Increase as percentage of appropriation in budget (7/1A) | 2,83 % | 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)

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

d) Detailed grounds for the transfer

Due to the recent intensification of the conflict in Iraq, humanitarian needs continue to increase. Recent intensified fighting including Falljua, Heet, A Baghdadi, Haditha and in the north, towards Mosul, has generated significant new displacements of people. The needs of lifesaving humanitarian assistance are outpacing the ability of the Government and humanitarian partners to respond.

Nearly one third of Iraq's population, 10 million people, are in need of help as a direct consequence of the conflict. 3.4 million Iraqis have fled their homes. Depending on the intensity of fighting and the scale of violence in the coming months, between 11 and 13 million Iraqis may need some form of humanitarian aid by end of 2016. 750 000 more people are expected to flee their homes before the end of the year - from towns and districts along the Mosul and Anbar corridors and an additional 1.8 million people might be impacted by the battle for Mosul.

At the same time, the Iraq 2016 Humanitarian Response Plan (HRP) is funded at only 24% as of end May. It requests USD 861 million, out of USD 4 billion total estimated humanitarian needs.

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).

IRAQ

| Key financial information related to this crisis | |
|--|--------------------|
| Total amount committed in 2015 | EUR 105.65 million |
| Amount committed through 2016 initial Humanitarian Implementation Plan (HIP) | EUR 50 million |
| Additional funds from: | |
| - Emergency Aid Reserve | EUR 20 million |
| - Humanitarian Aid Operational Reserve | EUR 4.1 million |
| Other donors (source Financial Tracking Service as of 20/05/2016) | USD 409 636 532 |

| Additional needs |
|-------------------------|
| EUR 30 million |

| When the funds are needed? |
|-----------------------------------|
| June 2016 |

| Why additional funding is needed? |
|--|
| <p>Needs continue to grow due to the current intensification of the conflict and systematic serious violations of International Humanitarian Law (IHL). Continuous recent fighting moving northwest from Baghdad (including Falljua, Heet, A Baghdadi, Haditha) and north, towards Mosul (including around Makhmour, Hawija and possibly Mosul city) has already generated substantial new displacements. Lifesaving humanitarian needs are increasing dramatically in many places, outpacing the ability of the government and humanitarian partners to respond. Despair among Iraqis is growing and many are deciding to leave their country. The 2016 Iraq Humanitarian Response Plan (HRP), a highly prioritised appeal, is only funded at 24% as of 26 May 2016 (the HRP requests USD 861 million, out of USD 4 billion total humanitarian needs, not including Mosul). The plan indicates that 8.5 million people require health care, 8.2 million protection support and 6.6 million water and sanitation. Nearly 2.4 million people are food insecure and 2 million people need shelter and household goods. Vulnerabilities are increasing dramatically, as is dependence on humanitarian aid: more and more Internally Displaced Persons (IDPs) are able to flee active conflict areas, only after being besieged for months, having already suffered long-lasting shortage of food and medicines (e.g. Ramadi, expected for Falluja).</p> <p>Nearly one third of Iraq's population (10 million people) need help, as a direct consequence of violence and conflict. Over 3 million Iraqis have fled their homes. Depending on the intensity of fighting and the scale of violence in the months ahead, between 11 and 13 million Iraqis may need some form of humanitarian aid by end of 2016. Additional over 750 000 people are expected to flee their homes before the end of the year, from towns and districts along the Mosul and Anbar corridors. A further 1.8 million might be impacted by the battle for Mosul.</p> <p>The EU can still make the difference in Iraq: it is essential to mobilise adequate support before the crisis further deepens. Impartial humanitarian assistance and protection to all populations in need, throughout the country, are not only an issue of human concern, but have a strategic value for Iraq's future prospects of stability and reconciliation.</p> |

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|--|
| What for? |
| <p>The additional funding will allow addressing the needs, inter alia, in terms of life-saving assistance to newly displaced people (e.g. through the Rapid Response Mechanism), emergency health, protection, Water, Sanitation and Hygiene, shelter, food aid and non-food items. It will support Iraqi IDPs, vulnerable host communities as well as Syrian refugees in Iraq, in the governorates most affected by displacement. It will also allow enlarging the humanitarian operational capacity throughout the country, supporting the prepositioning of humanitarian partners in response to Anbar displacement and a possible military offensive in Mosul.</p> |

ANNEX II

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.

| Transfer Ref | Content | Commitment Appropriations from 2016 Reserve (EUR) | Commitment Appropriations from Reserve carried-over (EUR) | Payment Appropriations from 2016 Reserve (EUR) |
|---|---|---|---|--|
| 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 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total of Proposals | | 85.622.134 | 219.377.866 | 118.000.000 |
| Remainder | | 223.377.866 | 0 | 191.000.000 |
| Total remainder of commitment appropriations | | 223.377.866 | | |