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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 15/2016 within Section III - Commission - of the general budget for 2016

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Delegations will find attached Commission document DEC 15/2016.

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Encl.: DEC 15/2016



BRUSSELS, 05/07/2016

GENERAL BUDGET - 2016

SECTION III - COMMISSION TITLES: 05, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 15/2016

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**FROM**

**CHAPTER - 0505** Instrument for Pre-accession Assistance -- Agriculture and rural development

ARTICLE - 05 05 02 Instrument for Pre-Accession Assistance for Rural Development (IPARD) -- Completion of the programme (2007 to 2013)	Payments	-5 000 000,00
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**CHAPTER - 4002** Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve	Payments	-27 000 000,00
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ARTICLE - 40 02 42 Emergency aid reserve (Carry Over)	Commitments	-40 000 000,00
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**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	Payments	32 000 000,00
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ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food aid (Carry Over)	Commitments	40 000 000,00
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## **I. DECREASE**

### **I.1**

#### **a) Heading**

**05 05 02 - Instrument for Pre-Accession Assistance for Rural Development (IPARD) -- Completion of the programme (2007 to 2013)**

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

	<b>Payments</b>
1A Appropriation in budget (Initial Budget + AB)	375 000 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	375 000 000,00
4 Utilisation of final appropriation	215 098 896,42
<b>5 Amount not used/available (3-4)</b>	<b>159 901 103,58</b>
<b>6 Requirements up to year-end</b>	<b>154 901 103,58</b>
<b>7 Proposed decrease</b>	<b>5 000 000,00</b>
8 Decrease as percentage of appropriation in budget (7/1A)	1,33 %
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>Payments</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**

On the basis of the latest available declarations of expenditure and forecasts of the candidate countries, and taking into account past patterns of implementation and forecasting reliability, an amount of EUR 5 million in payment appropriations can be made available for transfer.

## **I.2**

### **a) Heading**

**40 02 42 - Emergency aid reserve**

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

	<b>Payments</b>
1A Appropriation in budget (Initial Budget + AB)	309 000 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	309 000 000,00
4 Utilisation of final appropriation	0,00
<b>5 Amount not used/available (3-4)</b>	<b>309 000 000,00</b>
<b>6 Requirements up to year-end</b>	<b>282 000 000,00</b>
<b>7 Proposed decrease</b>	<b>27 000 000,00</b>
8 Decrease as percentage of appropriation in budget (7/1A)	8,74 %
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>Payments</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.3**

#### **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>29 377 866,00</b>
<b>7 Proposed decrease</b>	<b>40 000 000,00</b>
8 Decrease as percentage of appropriation in budget (7/1A)	18,23 %
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**

Same as page 3.

## **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>Payments</b>
1A Appropriation in budget (Initial Budget + AB)	1 428 753 205,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	1 428 753 205,00
4 Utilisation of final appropriation	779 913 553,88
<b>5 Amount not used/available (3-4)</b>	<b>648 839 651,12</b>
<b>6 Requirements up to year-end</b>	<b>680 839 651,12</b>
<b>7 Proposed increase</b>	<b>32 000 000,00</b>
8 Increase as percentage of appropriation in budget (7/1A)	2,24 %
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>Payments</b>
1 Appropriations available at start of the year	20 141,75
2 Appropriations available on 15/06/2016	0,00
3 Rate of utilisation $[(1-2)/1]$	100,00 %

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

All indicators show a need to prepare for worsening of the situation in South Sudan, as there is still risk of political violence, the economy is collapsing and there is widespread food insecurity and health crisis. While the Transitional Government of National Unity has been established at the end of April, the parties' commitment to the peace agreement is doubtful. There are still violations to the permanent ceasefire agreement and the conflict has spread to parts of the country that were stable in the past.

Based on a thorough needs assessment, additional EU assistance in the amount of EUR 40 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, only EUR 5 million in payment appropriations were identified.

The Commission therefore presents a request for the mobilisation of the Emergency Aid Reserve in the amount of EUR 40 million in commitment and EUR 27 million in payment appropriations for the above mentioned crisis and the redeployment of EUR 5 million in payment appropriations from line 05 05 02.

(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>40 000 000,00</b>
<b>7 Proposed increase</b>	<b>40 000 000,00</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 5 and 6.



**SUDAN and SOUTH SUDAN**

<b>Key financial information related to the crisis</b>	
<b>Total amount committed in 2015 for this crisis (including European Development Fund (EDF))</b>	<b>EUR 160.25 million</b>
Amount committed through 2016 initial Humanitarian Implementation Plan (HIP)	EUR 85 million (EUR 60 million for South Sudan and EUR 25 million for Sudan)
Funds already committed this year for this crisis from the: - Humanitarian Aid Operational Reserve - Emergency Aid Reserve - HIP Children of Peace	EUR 3.5 million 0 EUR 0.7 million
Total amount from EU Budget committed this year	EUR 89.2 million
Amount committed for this crisis this year from EDF (El Niño 2015 Decision and top up 2016 – Sudan)	EUR 15 million + top up EUR 15 million
<b>Total amount committed in 2016 (including EDF)</b>	<b>EUR 119.2 million</b>
Other EU funding (Development cooperation, etc.)	0 N.B.: South Sudan is not eligible under the 11th EDF as it is not a signatory of the Cotonou Agreement
Other donors ( <i>source Financial Tracking Service as of 20/05/2016</i> )	USD 583 926 199, of which: USD 123 171 520 for Sudan USD 460 754 679 for South Sudan

<b>Additional needs</b>
EUR 40 million

<b>When funds are needed?</b>
July 2016

<b>Why additional funding is needed?</b>
All indicators show a need to prepare for worsening of the situation in South Sudan, as there is still risk of political violence, the economy is in collapse and there is widespread food insecurity and health crisis. Even though a Transitional Government of National Unity has been established at the end of April, the parties' commitment to the peace agreement is doubtful. There are still violations to the permanent ceasefire agreement and the conflict has spread to parts of the country that were stable in the past.

<b>What will it be used for?</b>
To provide timely, principled and accountable humanitarian relief including protection and basic life-saving services to civilians, with priority given to the most vulnerable in the areas affected by severe food insecurity with high prevalence of acute malnutrition, as well as areas

with high density of displaced population and/or high level or risks of displacement or diseases. Air transport remains an essential part of the humanitarian response in South Sudan.

## **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.

<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		