



Council of the  
European Union

Brussels, 29 November 2016  
(OR. en)

15012/16

FIN 834

**COVER NOTE**

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From:	Ms Kristalina GEORGIEVA, Vice-President of the European Commission
date of receipt:	29 November 2016
To:	Mr Peter KAZIMIR, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 39/2016 within Section III - Commission - of the general budget for 2016

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Delegations will find attached Commission document DEC 39/2016.

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Encl.: DEC 39/2016



BRUSSELS, 25/11/2016

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

TRANSFER OF APPROPRIATIONS N° DEC 39/2016

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**FROM**

**CHAPTER** - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve	Commitments	-25 000 000,00
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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	Commitments	25 000 000,00
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## **I. DECREASE**

### **I.1**

#### **a) Heading**

**40 02 42 - Emergency aid reserve**

#### **b) Figure at 17/11/2016**

	<b>Commitments</b>
1A Appropriation in budget (Initial Budget + AB)	309 000 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-175 622 134,00
3 Final appropriation for the year (1A+1B+2)	133 377 866,00
4 Utilisation of final appropriation	0,00
<b>5 Amount not used/available (3-4)</b>	<b>133 377 866,00</b>
<b>6 Requirements up to year-end</b>	<b>108 377 866,00</b>
<b>7 Proposed decrease</b>	<b>25 000 000,00</b>
8 Decrease as percentage of appropriation in budget (7/1A)	8,09 %
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 17/11/2016	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.

## **II. INCREASE**

### **II.1**

#### **a) Heading**

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

#### **b) Figure at 17/11/2016**

	<b>Commitments</b>
1A Appropriation in budget (Initial Budget + AB)	1 061 821 941,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	175 622 134,00
3 Final appropriation for the year (1A+1B+2)	1 237 444 075,00
4 Utilisation of final appropriation	1 155 727 134,00
<b>5 Amount not used/available (3-4)</b>	<b>81 716 941,00</b>
<b>6 Requirements up to year-end</b>	<b>106 716 941,00</b>
<b>7 Proposed increase</b>	<b>25 000 000,00</b>
8 Increase as percentage of appropriation in budget (7/1A)	2,35 %
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 17/11/2016	81 882,28
3 Rate of utilisation [(1-2)/1]	73,32 %

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

In Iraq, 3,3 million people are internally displaced and a total of 10 million people are in need of humanitarian assistance. The military offensive to retake Mosul is intensifying. As a result, over 64 000 people from Mosul and the surrounding areas have been displaced. In addition, 126 000 people along the Mosul corridor, in Al Qayyarah (Southern Ninewa Governorate) and Al Shirqat (Salah ad Din Governorate) districts, were forced to flee their homes between 16 June and beginning of October. In the worst case scenario, as many as 1,2 to 1,5 million people are likely to need humanitarian assistance, once military operations advance further into Mosul.

The 2016 Humanitarian Response Plan (HRP) is currently funded at only 56%. The Mosul Flash Appeal (USD 284 million for Mosul Preparedness only) and Mosul crisis response (from USD 142 million to USD 1,8 billion, in the worst case scenario) are also seriously underfunded.

Based on a thorough needs assessment, additional EU assistance in the amount of EUR 25 million, in addition to the EUR 30 million provided in October, is needed to scale up the response and bridge the gap to 2017 funding. The magnitude of the identified needs exceeds the current availabilities in the Humanitarian aid instrument.

As of 1 November, the overall implementation rate in commitment appropriations of the humanitarian aid chapter was at 95% (and 95% for the main line "Humanitarian aid and food assistance" 23 02 01). In payment appropriations it was at 78% for the humanitarian chapter and 78% for the main line 23 02 01. The current balance of EUR 18 million in commitment appropriations in the Operational Reserve (OR) for Humanitarian aid is needed to cover crises and natural disasters until the end of the year.

After having exhausted all possibilities for redeployment from other policy areas in Heading 4, the Commission proposes the mobilisation of the Emergency Aid Reserve in commitment appropriations. No payment appropriations are needed as the currently available amounts in the Humanitarian aid budget will be sufficient to cover payment needs for the contracts signed in 2016.

The Commission therefore presents a request for the mobilisation of the Emergency Aid Reserve in the amount of EUR 25 million in commitment appropriations for the above mentioned crisis.

(For more information, see annex 1).

## ANNEX 1

### IRAQ

<b>Key data on funds allocated</b>	
<i>2015</i>	
<b>Total amount committed in previous year</b>	<b>EUR 76 550 000</b>
<i>2016</i>	
Amount committed through the current year initial Humanitarian Implementation Plan (HIP)	EUR 50 000 000
Increases from the: <ul style="list-style-type: none"> <li>- Operational Reserve</li> <li>- Emergency Aid Reserve</li> </ul>	EUR 4 100 000 EUR 80 000 000
<b>Total amount from EU Budget committed this year :</b>	<b>EUR 134 100 000</b>
Other EU funding (Development Cooperation Instrument, Instrument contributing to Peace and Stability)	EUR 64 700 000
Other donors (source Financial Tracking Service (FTS) 14/11/2016)	USD 1 280 114 200
<b>Total additional needs</b>	<b>EUR 25 000 000</b>

<b>Timing</b>	
November/December 2016	

<b>Why the additional funding is needed? (what is new?)</b>
<p>In Iraq, 3,3 million people are internally displaced and a total of 10 million people are in need of humanitarian assistance.</p> <p>The military campaign of the Government of Iraq to retake Mosul is intensifying. Fighting has also increased in strategic surrounding areas, generating substantial displacement and humanitarian needs, concentrated in Ninewa, Salah al-Din and Kirkuk governorate and others.</p> <p>Over 64 000 people from Mosul and the surrounding areas have been displaced due to recent developments. In addition, the number of people forced to flee their homes along the Mosul corridor, in Al Qayyarah (Southern Ninewa Governorate) and Al Shirqat (Salah ad Din Governorate) districts, has reached 126 000, between 16 June and beginning of October. They have been displaced mainly towards Salah al-Din Governorate and towards Makhmur, ultimately in Debaga, in Erbil Governorate.</p> <p>In the worst case scenario, as many as 1,2 to 1,5 million people are likely to need humanitarian assistance, once military operations advance further into Mosul. The 2016 Humanitarian Response Plan (HRP) is currently funded at only 56%. The Mosul Flash Appeal (USD 284 million for Mosul Preparedness only) and Mosul crisis response (from USD 142 million to 1,8 billion, in the worst case scenario) are also seriously</p>

underfunded.

The latest increase of EU assistance of EUR 30 million received in October will contribute to responding to most urgent needs and ensure that the Commission humanitarian aid partners are prepared for larger displacement from main urban areas in the Mosul corridor and Mosul itself.

However, the scale of displacement and needs recorded in the past few weeks and the latest information on the imminent double offensive on Mosul and the Hawija, Telefar areas call for urgent additional funding. The expected number of people to flee Mosul only might, go up to 200 000. Funding will be urgently needed to set-up emergency camps and provide immediate assistance commensurate to the scale of the displacement. It is also necessary to bridge the gap until 2017 funding becomes available.

#### **What will it be used for?**

The additional EU funding will allow for the provision of lifesaving assistance to newly displaced people (IDP), mainly Iraqi IDPs and vulnerable host communities, including emergency health, protection, water, sanitation and hygiene (WASH) and shelter & non-food items (NFIs), food aid in the governorates most in need.

The funding will be allocated as a top up to existing 2016 contracts, in order to reinforce the first line response and in line with the current strategic and geographical priorities. As the fighting progresses, its humanitarian consequences will become clearer and 2017 funding might be swiftly required in the first months of the year, as per newly defined strategic and geographical priorities.

## ANNEX 2

### 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
DEC 25	Mobilisation of the EAR for additional humanitarian aid for South Sudan	50.000.000		
DEC 26	Mobilisation of the EAR for additional humanitarian aid for Yemen	10.000.000		
DEC 27	Mobilisation of the EAR for additional humanitarian aid for Iraq	30.000.000		
DEC 38	Mobilisation of the EAR for additional humanitarian aid for the Lake Chad Basin crisis	9.772.500		
DEC 39	Mobilisation of the EAR for additional humanitarian aid for Iraq	25.000.000		
	<b>Total of Proposals</b>	210.394.634	219.377.866	118.000.000
	<b>Remainder</b>	98.605.366	0	191.000.000
	<b>Total remainder of commitment appropriations</b>	98.605.366		