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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	27 June 2017
To:	Mr Edward SCICLUNA, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 16/2017 within Section III - Commission - of the general budget for 2017

Delegations will find attached Commission document DEC 16/2017.

Encl.: DEC 16/2017



BRUSSELS, 26/06/2017

GENERAL BUDGET - 2017
SECTION III - COMMISSION TITLES: 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 16/2017

FROM

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	23 000 000,00

I. DECREASE

I.1

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 13/06/2017

	Commitments	Payments
1 Appropriation in budget (Initial Budget + AB)	315 000 000,00	315 000 000,00
2 Transfers	-36 394 634,00	-83 258 000,00
3 Final appropriation for the year (1+2)	278 605 366,00	231 742 000,00
4 Utilisation of final appropriation	0,00	0,00
5 Amount not used/available (3-4)	278 605 366,00	231 742 000,00
6 Requirements up to year-end	248 605 366,00	208 742 000,00
7 Proposed decrease	30 000 000,00	23 000 000,00
8 Decrease as percentage of appropriation in budget (7/1)	9,52 %	7,30 %
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 13/06/2017	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 13/06/2017

	Commitments	Payments
1 Appropriation in budget (Initial Budget + AB)	893 100 000,00	1 089 706 885,00
2 Transfers	36 394 634,00	105 000 000,00
3 Final appropriation for the year (1+2)	929 494 634,00	1 194 706 885,00
4 Utilisation of final appropriation	838 644 634,00	561 025 220,90
5 Amount not used/available (3-4)	90 850 000,00	633 681 664,10
6 Requirements up to year-end	120 850 000,00	656 681 664,10
7 Proposed increase	30 000 000,00	23 000 000,00
8 Increase as percentage of appropriation in budget (7/1)	3,36 %	2,11 %
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	484 791,50	3 147 073,32
2 Appropriations available on 13/06/2017	284 791,50	0,00
3 Rate of utilisation [(1-2)/1]	41,25 %	100,00 %

d) Detailed grounds for the transfer

The military campaign in Iraq to retake Mosul has intensified since February 2017, leading to an exponential growth in the Internally Displaced People (IDPs), with numbers reaching 10 000 to 20 000 per day in March-May. 700 000 civilians out of a total of 3,1 million have been displaced from Mosul. This puts a serious strain on the humanitarian response: urgently needed are shelter and life-saving services (water and sanitation, food, health care, protection, camp coordination and camp management, emergency education).

In addition, due to the growing war crimes committed by the Islamic State of Iraq and the Levant (ISIL) and the more aggressive military campaign in West Mosul, the number of wounded civilians has risen. Mosul and especially West Mosul has become the greatest medical emergency worldwide with an increased need for emergency medical services, post-operative care and rehabilitation.

Additional funding in the amount of EUR 30 million is requested in addition to the initial EUR 42,5 million allocated for this crisis in 2017. EUR 23 million in payment appropriations (approximately 77,5% of the commitment appropriations) is also needed.

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

As of 1 June, the overall implementation rate in commitment appropriations in the Humanitarian aid chapter 23 02 is at 89%, whereas for payment appropriations it is at 39%. The current balance of EUR 68,8 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.

The Commission has also considered possibilities for redeployment from other policy areas in Heading 4. However, at this stage of the year no available funds have been identified.

The Commission therefore presents a request for the mobilisation of the Emergency Aid Reserve (EAR) for EUR 30 million in commitment appropriations and EUR 23 million in payment appropriations for the-above mentioned crisis.

(For more information, see Annex 1).

ANNEX 1

Iraq

2016	
Total amount committed:	EUR 159,1 million
2017	
Amount committed through the initial Humanitarian Implementation Plan (HIP):	EUR 42,5 million
Additional funds committed from:	
- Operational Reserve	EUR 0
- Education in Emergencies	EUR 0
Total amount from the Humanitarian aid budget:	EUR 42,5 million
Other EU funding (Development Cooperation Instrument, etc.)	EUR 40 million
Other donors (source Financial Tracking Service as of 19/05/2017)	USD 279 million

Additional needs	
Total needs	EUR 30 million

Timing	
As soon as possible	

Why the additional funding is needed? (what is new?)
<p>The military campaign to retake Mosul has substantially intensified since February, leading to an exponential growth in internal displacement – with up to 10 000 to 20 000 Internally Displaced People (IDPs) per day in the period March-May. 700 000 civilians out of a total of 3,1 million have already been displaced from Mosul. This has seriously overstretched the humanitarian response, with urgent needs for additional shelter and necessary life-saving services (e.g. water and sanitation, food, health care, protection, camp coordination and camp management, emergency education).</p> <p>In addition, due to growing war crimes committed by the Islamic State of Iraq and the Levant (ISIL) and more aggressive military tactics in the counter-ISIL military campaign in West Mosul (e.g. increased heavy shelling and airstrikes), the number of civilians wounded has risen and is expected to further increase. Mosul, and especially West Mosul, has become the greatest medical emergency worldwide - the need for emergency medical services, post-operative care and rehabilitation has significantly augmented.</p> <p>There are also concerns for the protection and assistance of estimated 400 000 civilians trapped in ISIL-controlled areas of West Mosul (and in Telafar, Hawija and West Anbar). Basic supplies in West Mosul old city are reported to be nearly lacking (e.g. lack of food and drinkable water). Latest reports also indicate lack of functional health facilities. This has raised the importance of providing humanitarian aid to trapped population and in newly</p>

retaken areas, as soon as they become accessible. Water and sanitation, primary health care, including vaccination, immediate food and Non-Food Items (NFI) are crucial needs. Lack of water and sanitation is a key concern as it also escalates public health risks, especially in summer.

The Iraq 2017 Humanitarian Response Plan (HRP), a highly prioritised appeal, which targets only 6,2 million most vulnerable people out of total 11 million in need, was launched on 28 March 2017 for USD 985 million. As of 19 May 2017, it was funded at only 28%.

With the currently requested increase of EUR 30 million, the 2017 EU assistance for Iraq will come up to EUR 72,5 million, i.e. a half of what was contributed in 2016. This means barely allowing the continuation of (reduced) on-going life-saving operations.

What will it be used for?

The additional amount of EUR 30 million will be crucial to respond to current and expected new humanitarian needs related to the West Mosul offensive, as well as to foster response and prepositioning for already increased needs and displacement in other areas, e.g. Telafar, Hawija and West Anbar. Furthermore, in the early months of 2017, tensions have flared between armed groups in hotspots of political and sectarian violence, (e.g. in Sinjar in March), generating additional humanitarian needs and displacement. This is likely to increase in the near future. The additional funding will be used for emergency health services, protection, Water, Sanitation and Hygiene (WASH), shelter and Non-Food Items, food aid, education in emergencies, in line with the priorities set out in the 2017 Humanitarian Implementation Plan for Iraq.

ANNEX 2

COMMISSION TRANSFER PROPOSALS RELATED TO THE EMERGENCY AID RESERVE IN 2017

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2017 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 2017 Reserve (EUR)	Commitment Appropriations from Reserve carried-over (EUR)	Payment Appropriations from 2017 Reserve (EUR)
DEC 03	Mobilisation of the EAR for additional humanitarian aid for Lake Chad		50.000.000	17.258.000
DEC 04	Mobilisation of the EAR for additional humanitarian aid for the Horn of Africa	16.394.634	48.605.366	50.000.000
DEC 05	Mobilisation of the EAR for additional humanitarian aid for Yemen	20.000.000		16.000.000
DEC 15	Mobilisation of the EAR for humanitarian aid for the Horn of Africa	87.700.000		59.500.000
DEC 16	Mobilisation of the EAR for humanitarian aid for Iraq	30.000.000		23.000.000
DEC 17	Mobilisation of the EAR for humanitarian aid for Syria	64.000.000		50.000.000
	Total of Proposals	218.094.634	98.605.366	215.758.000
	Remainder	96.905.366	0	99.242.000
	Total remainder of commitment appropriations	96.905.366		