



Council of the
European Union

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COVER NOTE

From: Mr Günther OETTINGER, Member of the European Commission
date of receipt: 4 October 2017
To: Mr Märt KIVINE, President of the Council of the European Union
Subject: Proposal for transfer of appropriations No DEC 26/2017 within Section III - Commission - of the general budget for 2017

Delegations will find attached Commission document DEC 26/2017.

Encl.: DEC 26/2017

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EUROPEAN COMMISSION

BRUSSELS, 04/10/2017

GENERAL BUDGET - 2017

SECTION III - COMMISSION TITLES: 23, 40

TRANSFER OF APPROPRIATIONS N° **DEC 26/2017**

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 03/10/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	315 000 000,00
2 Transfers	-218 094 634,00
3 Final appropriation for the year (1+2)	96 905 366,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	96 905 366,00
6 Requirements up to year-end	71 905 366,00
7 Proposed decrease	25 000 000,00
8 Decrease as percentage of appropriation in budget (7/1)	7,94 %
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)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 03/10/2017	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 03/10/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	893 100 000,00
2 Transfers	220 394 634,00
3 Final appropriation for the year (1+2)	1 113 494 634,00
4 Utilisation of final appropriation	1 078 894 634,00
5 Amount not used/available (3-4)	34 600 000,00
6 Requirements up to year-end	59 600 000,00
7 Proposed increase	25 000 000,00
8 Increase as percentage of appropriation in budget (7/1)	2,80 %
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)

	Commitments
1 Appropriations available at start of the year	484 791,50
2 Appropriations available on 03/10/2017	154 791,50
3 Rate of utilisation [(1-2)/1]	68,07 %

d) Detailed grounds for the transfer

In Yemen, the scale and geographical scope of the needs and the progressive collapse of institutions and basic services pose enormous challenges for the already over-stretched and underfunded humanitarian efforts. The United Nation's Yemen Humanitarian Response Plan for 2017 was increased in August from USD 2,1 billion to USD 2,3 billion, while only 43% of it is funded so far.

Additional EU assistance in the amount of EUR 25 million in commitment appropriations is needed. This funding will focus only on actions that can be implemented immediately to ensure urgently needed lifesaving assistance until the end of 2017, while taking into account the current access constraints into Yemen and inside the country. The funds will focus on food assistance, response to the cholera outbreak, rapid response mechanism, as well as on logistical support for the delivery of humanitarian aid.

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

As of 22 September, the overall implementation rate in commitment appropriations in the Humanitarian aid chapter 23 02 is 96%, whereas for payment appropriations it is 67%. The current balance of EUR 14,9 million, after taking into account all planned actions, in the Operational Reserve is already below the standard level for this time of the year and needs to be preserved to cover crises and natural disasters until its end.

The Commission has also considered, but could not identify, possibilities for redeployment from other policy areas in Heading 4.

The Commission therefore presents a request for the mobilisation of the Emergency Aid Reserve (EAR) for EUR 25 million in commitment appropriations for the above-mentioned crisis. The corresponding needs in terms of payment appropriations will be covered through existing resources in the Humanitarian aid budget.

(For more information, see Annex 1).

ANNEX 1

Yemen

2016	
Total amount committed in previous year	EUR 70 million
2017	
Amount committed through the current year's initial Humanitarian Implementation Plan (HIP)	EUR 26 million
Additional funds committed from the: - Emergency Aid Reserve - Humanitarian Aid Operational Reserve - Epidemics HIP	EUR 20 million EUR 5 million EUR 0,7 million
Total amount from the EU Budget	EUR 51,7 million
Other EU funding (MS External Assigned Revenues)	EUR 0
Other donors (source: Financial Tracking Service as of 14 September 2017)	USD 920 million

Additional needs	
Total needs	EUR 25 million

Timing	
The funds should be available as soon as possible.	

Why the additional funding is needed?	
The scale and the geographical scope of the needs and the progressive collapse of institutions and basic services pose enormous challenges for the already over-stretched and underfunded humanitarian efforts. The UN's Yemen Humanitarian Response Plan (YHRP) 2017 was reviewed in August 2017 from USD 2,1 billion to USD 2,3 billion, with only 43% of it funded until now. While the 2016 YHRP (USD 1,6 billion) was funded at 63%, in 2017, the international community has not been able to keep pace with the rapidly degrading situation. The same holds true for EU funding, which amounted to EUR 70 million in 2016 and only EUR 51,7 million so far in 2017. The additional EUR 25 million requested would bring the total assistance from the EU budget to EUR 76 million, i.e. a 9% increase compared to 2016 while the corresponding needs have increased by 44%.	

What will it be used for?	
Considering the enormous scale of the needs, the additional EUR 25 million will focus only on actions that can be implemented immediately to ensure urgently needed lifesaving assistance until the end of 2017, while taking into account the current access constraints into Yemen and inside the country. The funds will focus on food assistance, response to the cholera outbreak, rapid response mechanism (RRM), as well as on logistical support for the delivery of humanitarian aid.	

As concerns the food security situation, due to limited funding and lengthy lead times to import food, the World Food Programme (WFP) can reach only 4 million people out of a target of nearly 7 million for monthly food/voucher distribution. Food security activities are funded only at 33% of the needs at the moment. Distributions need to be secured and increased in order to avoid Yemen slipping into a famine. Part of the funds requested will be used to support both voucher and in-kind food programmes implemented by the WFP.

The cholera response remains a priority as the outbreak is not under control yet and continues to spread to new areas at an alarming rate. Provision of safe water, rehabilitation of water supply systems, improvements in sanitation and promotion of hygiene at community level will contribute to containing the cholera outbreak.

Finally, support for strengthening the RRM and critical logistical capacities, which have been overstretched by the need to respond to the cholera outbreak, will be provided. Urgent additional funding is required to support the increased number of flights and boats put in place to cater for increased international humanitarian staff and the delivery of material equipment in support to the cholera response plan and the overall humanitarian relief effort.

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
DEC 21	Reinforcement to CFSP	18.000.000		
DEC 25	Mobilisation of the EAR for additional humanitarian aid for Ethiopia	15.000.000		
DEC 26	Mobilisation of the EAR for additional humanitarian aid for Yemen	25.000.000		
Total of Proposals		276.094.634	98.605.366	215.758.000
Remainder		38.905.366	0	99.242.000
Total remainder of commitment appropriations		38.905.366		