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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	17 October 2017
To:	Mr Märt KIVINE, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 21/2017 within Section III - Commission - of the general budget for 2017

Delegations will find attached Commission document DEC 21/2017.

Encl.: DEC 21/2017



BRUSSELS, 13/10/2017

GENERAL BUDGET - 2017
SECTION III - COMMISSION TITLES: 01, 05, 18, 19, 21, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 21/2017**FROM****CHAPTER - 0103 International economic and financial affairs**

ARTICLE - 01 03 02 Macro-financial assistance Commitments -5 500 000,00

CHAPTER - 0506 International aspects of the 'Agriculture and rural development' policy area

ARTICLE - 05 06 01 International agricultural agreements Commitments -1 258 000,00

CHAPTER - 1803 Asylum and migration

ITEM - 18 03 77 11 Pilot project -- Private sponsorships: enhancing refugee resettlement opportunities and ensuring the availability of safe and regular routes for refugees to reach the Union Commitments -500 000,00

CHAPTER - 2106 Instrument for Nuclear Safety Cooperation

ARTICLE - 21 06 02 Additional contribution of the European Union to the European Bank for Reconstruction and Development (EBRD) for the Chernobyl accident related projects Commitments -10 900 000,00

CHAPTER - 2303 The Union Civil Protection Mechanism

ITEM - 23 03 02 02 Rapid and efficient emergency response interventions in the event of major disasters in third countries Commitments -6 000 000,00

CHAPTER - 2304 EU Aid Volunteers initiative

ARTICLE - 23 04 01 EU Aid Volunteers initiative -- Strengthening the Union's capacity to respond to humanitarian crises Commitments -2 342 000,00

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve Commitments -18 000 000,00

TO

CHAPTER - 1903 Common foreign and security policy (CFSP)

ITEM - 19 03 01 04 Other crisis management measures and operations	Commitments	40 500 000,00
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ARTICLE - 19 03 02 Support to non-proliferation and disarmament	Commitments	4 000 000,00
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I. DECREASE

I.1

a) Heading

01 03 02 - Macro-financial assistance

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	45 828 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	45 828 000,00
4 Utilisation of final appropriation	73 715,00
5 Amount not used/available (3-4)	45 754 285,00
6 Requirements up to year-end	40 254 285,00
7 Proposed decrease	5 500 000,00
8 Decrease as percentage of appropriation in budget (7/1)	12,00 %
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)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 22/09/2017	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

Actions funded on this budget line in 2017 include the new Macro Financial Assistance (MFA) operation for Moldova (EUR 40 million), for which the decision of the European Parliament and the Council was adopted in September 2017. In addition, EUR 223 715 in commitment appropriations are needed to cover the operational assessment of the MFA assistance for Jordan and the ex-post evaluation for the Kyrgyz Republic. This leaves a balance of EUR 5,5 million in commitment appropriations to be made available for redeployment.

I.2

a) Heading

05 06 01 - International agricultural agreements

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	8 105 849,00
2 Transfers	-2 300 000,00
3 Final appropriation for the year (1+2)	5 805 849,00
4 Utilisation of final appropriation	4 458 177,67
5 Amount not used/available (3-4)	1 347 671,33
6 Requirements up to year-end	89 671,33
7 Proposed decrease	1 258 000,00
8 Decrease as percentage of appropriation in budget (7/1)	15,52 %
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 22/09/2017	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The EU contributions paid to the International Sugar Organisation (ISO), the International Grains Council (IGC) and the International Olive Council (IOC) were lower than estimated in the 2017 budget. The amount of EUR 1 million budgeted in 2017 for the World Intellectual Property Organisation (WIPO) will not be committed, since the Commission's proposal for a Council decision on the EU joining the Geneva Act of the Lisbon agreement has not yet been adopted. As a result, an amount of EUR 2,3 million was made available for Humanitarian aid in July 2017 (DEC 15/2017) and an additional amount of EUR 1,26 million in commitment appropriations can be made available for redeployment with this transfer.

I.3

a) Heading

18 03 77 11 - Pilot project -- Private sponsorships: enhancing refugee resettlement opportunities and ensuring the availability of safe and regular routes for refugees to reach the Union

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	500 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	500 000,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	500 000,00
6 Requirements up to year-end	0,00
7 Proposed decrease	500 000,00
8 Decrease as percentage of appropriation in budget (7/1)	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)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 22/09/2017	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

As announced in Commission's Executability letter on the Draft Budget 2017 dated 28 October 2016, the Commission will not implement the Pilot Project as planned. As declared in the Interim report on the implementation of Pilot Projects in 2017, a feasibility study on the possible implementation of actions related to this proposal is included under the 2017 Work Programme for the Asylum, Migration and Integration Fund (AMIF). The available commitment appropriations on the budget line can therefore be made available for redeployment.

I.4

a) Heading

21 06 02 - Additional contribution of the European Union to the European Bank for Reconstruction and Development (EBRD) for the Chernobyl accident related projects

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	30 000 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	30 000 000,00
4 Utilisation of final appropriation	19 100 000,00
5 Amount not used/available (3-4)	10 900 000,00
6 Requirements up to year-end	0,00
7 Proposed decrease	10 900 000,00
8 Decrease as percentage of appropriation in budget (7/1)	36,33 %
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)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 22/09/2017	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

A total amount of EUR 100 million was budgeted for the years 2015 (EUR 30 million), 2016 (EUR 40 million) and 2017 (EUR 30 million) to cover the additional EU contribution for the Chernobyl Shelter Fund and related accounts. After finalisation of the accounts, as negotiated with the European Member States which are members of the G7, the actual contribution for 2017 turned out to be lower than initially planned and EUR 10,9 million in commitment appropriations can be made available for redeployment.

I.5

a) Heading

23 03 02 02 - Rapid and efficient emergency response interventions in the event of major disasters in third countries

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	15 090 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	15 090 000,00
4 Utilisation of final appropriation	9 000 000,00
5 Amount not used/available (3-4)	6 090 000,00
6 Requirements up to year-end	90 000,00
7 Proposed decrease	6 000 000,00
8 Decrease as percentage of appropriation in budget (7/1)	39,76 %
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	683 143,45
2 Appropriations available on 22/09/2017	683 143,45
3 Rate of utilisation [(1-2)/1]	0,00 %

d) Detailed grounds for the transfer

The number of activations of the Union Civil Protection Mechanism during the year is unpredictable, since it depends on the emergencies that will occur and the number of transports interventions that will be requested. The needs in 2017 have so far been lower than expected. Therefore, while keeping an adequate level of appropriations to respond to any sudden crisis until the end of the year, an amount of EUR 6 million in commitment appropriations can be made available for redeployment.

I.6

a) Heading

23 04 01 - EU Aid Volunteers initiative -- Strengthening the Union's capacity to respond to humanitarian crises

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	20 972 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	20 972 000,00
4 Utilisation of final appropriation	737 391,52
5 Amount not used/available (3-4)	20 234 608,48
6 Requirements up to year-end	17 892 608,48
7 Proposed decrease	2 342 000,00
8 Decrease as percentage of appropriation in budget (7/1)	11,17 %
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 22/09/2017	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The needs until the end of the year have been established based on the outcome of two important calls for tender - for the deployment of volunteers and for capacity building of participating organisations. The remaining amount of EUR 2,34 million in commitment appropriations can be made available.

I.7

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 22/09/2017

	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	78 905 366,00
7 Proposed decrease	18 000 000,00
8 Decrease as percentage of appropriation in budget (7/1)	5,71 %
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 22/09/2017	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

19 03 01 04 - Other crisis management measures and operations

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	83 900 000,00
2 Transfers	19 544 533,50
3 Final appropriation for the year (1+2)	103 444 533,50
4 Utilisation of final appropriation	94 385 114,74
5 Amount not used/available (3-4)	9 059 418,76
6 Requirements up to year-end	49 559 418,76
7 Proposed increase	40 500 000,00
8 Increase as percentage of appropriation in budget (7/1)	48,27 %
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	10 717 061,29
2 Appropriations available on 22/09/2017	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

In June 2017, the Commission proposed a transfer of EUR 85 million in commitment appropriations (DEC 7/2017) from the Common Foreign and Security Policy (CFSP) budget chapter to the Instrument for Pre-accession (IPA), in order to finance the Facility for the Refugees in Turkey. This transfer was approved by the European Parliament and the Council and it allowed for the sound financial management of resources to meet the more urgent needs and the EU's political commitment to support the Facility for the Refugees in Turkey. However, new initiatives and extensions of missions lead to the remaining CFSP budget being insufficient to fund all CFSP priorities until the end of the year.

Based on a comprehensive analysis of all known needs, carried out in September, a shortfall of up to EUR 55,6 million is expected. This includes renewal of the mandates of current Common Security and Defence Policy (CSDP) missions in Georgia, Libya, Ukraine and other planned actions.

After taking into account the amount of unused appropriations expected to be recovered from the missions and operations, a reinforcement of EUR 44,5 million in commitment appropriations is necessary for the CFSP budget chapter to cover the most urgent needs until the end of 2017.

The Commission has considered all possibilities for redeployment from other policy areas in Heading 4 and proposes the redeployment of EUR 26,5 million in commitment appropriations from other budget lines (see previous sections).

The Commission also requests the mobilisation of the Emergency Aid Reserve (EAR) for EUR 18 million in commitment appropriations, in particular to cover the following two new initiatives:

- The EU Advisory Mission (EUAM) in Iraq to provide advice and assistance for the Security Sector reform (EUR 14 million)

In the current unstable security context in the Middle East, it is EU's urgent political priority to assist the Iraqi authorities in the implementation of the civilian aspects of the Iraqi National Security Strategy. The Strategy aims to build state institutions capable of consolidating security and peace and preventing conflicts under a solid framework of rule of law and outlines a number of threats to national security, including terrorism, corruption, political instability and ethnic and sectarian polarisation. The mission will provide EU expert advice and assistance in priority work areas responding to the needs of the Iraqi authorities. The deployment of the mission is being prepared and the Council Decision for its establishing and launching is expected to be adopted on 16 October 2017.

- The iTrace project (EUR 4 million)

Through iTrace the EU will finance the activities of Conflict Armaments Research (CAR), which deploys experts in conflict areas across the Middle East and North Africa to trace the origin of weapons found in the hands of terrorists. An elaborate system of confidential sharing of information enables Member States to trace cases of diversion of weapons and consequently to strengthen their national export control systems. The project has a strong counter-terrorist effect and supports Member States' security, police, customs and other government authorities.

II.2

a) Heading

19 03 02 - Support to non-proliferation and disarmament

b) Figure at 22/09/2017

	Commitments
1 Appropriation in budget (Initial Budget + AB)	19 500 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	19 500 000,00
4 Utilisation of final appropriation	13 964 205,21
5 Amount not used/available (3-4)	5 535 794,79
6 Requirements up to year-end	9 535 794,79
7 Proposed increase	4 000 000,00
8 Increase as percentage of appropriation in budget (7/1)	20,51 %
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	1 846 859,15
2 Appropriations available on 22/09/2017	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

Please see above the justification for line 19 03 01 04 (pages 10 and 11).

ANNEX

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		
	Total of Proposals	236.094.634	98.605.366	215.758.000
	Remainder	78.905.366	0	99.242.000
	Total remainder of commitment appropriations	78.905.366		