



Council of the
European Union

**Brussels, 18 September 2014
(OR. en)**

13242/14

FIN 643

COVER NOTE

From:	Mr Jacek DOMINIK, Member of the European Commission
date of receipt:	17 September 2014
To:	Mr Enrico ZANETTI, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 32/2014 within Section III - Commission - of the general budget for 2014

Delegations will find attached Commission document DEC 32/2014.

Encl.: DEC 32/2014



BRUSSELS, 15/09/2014

GENERAL BUDGET - 2014
SECTION III - COMMISSION TITLES 19, 22

TRANSFER OF APPROPRIATIONS N° DEC 32/2014

EUR

FROM

CHAPTER - 2202 Enlargement process and strategy

ITEM - 22 02 02 01 Support for political reforms and progressive alignment with and adoption, implementation and enforcement of the 'acquis communautaire' Payments - 420 000

ITEM - 22 02 02 02 Support for economic, social and territorial development Payments - 420 000

ITEM - 22 02 03 01 Support for political reforms and progressive alignment with and adoption, implementation and enforcement of the 'acquis communautaire' Payments - 9 160 000

TO

CHAPTER - 1904 Election Observation Missions (EIDHR)

ARTICLE - 19 04 01 Improving the reliability of electoral processes, in particular by means of election observation missions Payments 6 600 000

ARTICLE - 19 04 51 Completion of actions 'Election observation mission' (prior to 2014) Payments 3 400 000

I. INCREASE

I.A

a) Heading

19 04 01 - Improving the reliability of electoral processes, in particular by means of election observation missions

b) Figures at 05/09/2014

	Payments
1A. Appropriation in budget (initial budget + AB)	8 525 916
1B. Appropriation in budget (EFTA)	0
2. Transfers	-3 852 591
<hr/>	
3. Final appropriation for the year (1A+1B+2)	4 673 325
4. Utilisation of final appropriation	4 505 457
<hr/>	
5. Amount not used/available (3-4)	167 868
6. Requirements up to year-end	6 767 868
7. Increase proposed	6 600 000
8. Increase as percentage of appropriation in budget (7/1A)	77.41%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Payments
1. Appropriation available at start of year	0
2. Appropriation available on the 05/09/2014	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the increase

The budget chapter 19 04 covers financial support for building confidence and enhancing the reliability and transparency of democratic electoral processes and institutions through the deployment of European Union Election Observation Missions (EOMs).

The implementation of the chapter as of 1 September stands at 100% in commitment and 90% in payment appropriations.

There is currently only EUR 2.08 million available in payment appropriations in chapter 19 04. The needs, just to cover outstanding commitments due for payment in 2014 (on line 19 04 51) are currently estimated at EUR 8 million. Available payment appropriations do not allow launching of any new actions under budget line 19 04 01. This means that it is currently not possible to go ahead with the actions planned in the 2014 Annual Action Programme and the election observation priorities of the High Representative/Vice President (HR/VP) which have been agreed with the European Parliament and the Member States.

Election observation is a highly visible tool in the European Union's foreign human rights policy framework. The lack of payment appropriations is hindering the deployment of highly sensitive electoral observation missions in Northern Africa and the Middle East (Tunisia, Egypt, Lebanon), Africa (Nigeria, Mozambique), Latin America and the Caribbean (Bolivia, Haiti), and Myanmar, and on continuing to observe the audit of the vote in Afghanistan. The independent observation of elections plays a crucial role in lending credibility to the election process and these elections are expected to consolidate peace and stability in the regions concerned.

The list in annex details the most urgent missions which must be funded in 2014 but for which no payment appropriations are available. Due to the budgetary constraint, some missions originally planned as fully-fledged EOMs – such as to Bolivia – can no longer be funded as such. In the case of Mozambique, Member States considered that a fully-fledged EOM had to be maintained and have exceptionally agreed to contribute to the general budget to allow its urgent financing in view of the election date of 15 October.

For these reasons the Commission requests the reinforcement of EUR 10 million in payment appropriations.

I.B

a) Heading

19 04 51 - Completion of actions 'Election observation mission' (prior to 2014)

b) Figures at 05/09/2014

	Payments
1A. Appropriation in budget (initial budget + AB)	13 600 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	1 640 000
<hr/>	
3. Final appropriation for the year (1A+1B+2)	15 240 000
4. Utilisation of final appropriation	13 577 716
<hr/>	
5. Amount not used/available (3-4)	1 662 284
6. Requirements up to year-end	5 062 284
7. Increase proposed	3 400 000
8. Increase as percentage of appropriation in budget (7/1A)	25.00%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Payments
1. Appropriation available at start of year	216
2. Appropriation available on the 03/09/2014	0
3. Rate of utilisation [(1-2)/1]	100.00%

d) Detailed grounds for the increase

See the justification for line 19 04 01.

II. DECREASE

II.A

a) Heading

22 02 02 01 - Support for political reforms and progressive alignment with and adoption, implementation and enforcement of the 'acquis communautaire'

b) Figures at 05/09/2014

	Payments
1A. Appropriation in budget (initial budget + AB)	420 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
<hr/>	
3. Final appropriation for the year (1A+1B+2)	420 000
4. Utilisation of final appropriation	0
<hr/>	
5. Amount not used/available (3-4)	420 000
6. Requirements up to year-end	0
7. Proposed decrease	420 000
8. Decrease as percentage of appropriation in budget (7/1A)	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) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Payments
1. Appropriation available at start of year	0
2. Appropriation available on the 05 /09/2014	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

Iceland applied for EU membership in July 2009. The Commission issued a favourable opinion in February 2010, and the Council decided in June 2010 that accession negotiations would be opened. In May 2013, the Icelandic government took the decision to put the accession negotiations on hold. However in May 2014, Iceland announced a postponement of plans to withdraw its application for EU membership. Taking into account these developments, no payments are foreseen in 2014 and EUR 420 000 can be made available for transfer to chapter 19 04.

II.B

a) Heading

22 02 02 02 - Support for economic, social and territorial development

b) Figures at 05/09/2014

	Payments
1A. Appropriation in budget (initial budget + AB)	420 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
<hr/>	
3. Final appropriation for the year (1A+1B+2)	420 000
4. Utilisation of final appropriation	0
<hr/>	
5. Amount not used/available (3-4)	420 000
6. Requirements up to year-end	0
7. Proposed decrease	420 000
8. Decrease as percentage of appropriation in budget (7/1A)	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) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Payments
1. Appropriation available at start of year	0
2. Appropriation available on the 05/09/2014	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

Iceland applied for EU membership in July 2009. The Commission issued a favourable opinion in February 2010, and the Council decided in June 2010 that accession negotiations would be opened. In May 2013, the Icelandic government took the decision to put the accession negotiations on hold. However in May 2014, Iceland announced a postponement of plans to withdraw its application for EU membership. Taking into account these developments, no payments are foreseen in 2014 and EUR 420 000 can be made available for transfer to chapter 19 04.

II.C

a) Heading

22 02 03 01 - Support for political reforms and progressive alignment with and adoption, implementation and enforcement of the 'acquis communautaire'

b) Figures at 05/09/2014

	Payments
1A. Appropriation in budget (initial budget + AB)	19 174 167
1B. Appropriation in budget (EFTA)	0
2. Transfers	0
<hr/>	
3. Final appropriation for the year (1A+1B+2)	19 174 167
4. Utilisation of final appropriation	0
<hr/>	
5. Amount not used/available (3-4)	19 174 167
6. Requirements up to year-end	10 014 167
7. Proposed decrease	9 160 000
8. Decrease as percentage of appropriation in budget (7/1A)	47.77%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Payments
1. Appropriation available at start of year	0
2. Appropriation available on the 05/09/2014	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

The actual 2014 needs for payment appropriations diverge from the estimations which were made in 2013 when the 2014 Budget was prepared, at a time when the overall strategic programming for the 2014-2020 period was still under preparation. The late adoption of the IPA (Instrument for Pre-Accession Assistance) II Regulation (as well as of the related Common Implementing Regulation for all European External Action Instruments) has led to delays in the strategic programming for the year 2014. The priorities established by the indicative country strategy papers were translated into detailed actions covered by annual and multi-annual as well as country action programmes. Most of these action programmes are being adopted.

The procedural delays will impact on some of the IPA II beneficiaries (enlargement countries and entities delegated to implement some actions) to contract and pay in full the indicative allocation for 2014. Given this combination of factors, EUR 9 160 000 can be made available for transfer to chapter 19 04.

List of planned electoral missions for the period of September – December 2014

Electoral Observation Mission (EOM) Tunisia: The Legislative and Presidential elections were announced for 26 October 2014 (first round legislative), 23 November 2014 (run-off legislative and first round Presidential) and December 2014 (no exact date set yet, second round Presidential). In order to respect the methodology, the mission should be deployed by early September 2014 at the latest. The deployment of an Exploratory Mission (EM) in July 2014 was therefore essential to allow for an EOM to be launched. These are the first elections after the adoption of a new Constitution, expected to confirm the possibility for a democratic government change in the country.

EOM Egypt (Legislative): The engagement with Egypt is a top priority for the EU. An EOM was deployed for the Presidential elections in April 2014 and the authorities have announced legislative elections to be held before the end of the year. The launch of an EOM to Egypt also implies the deployment of an exploratory mission.

Electoral Assessment Team (EAT) Lebanon: The upcoming elections will be significant in demonstrating the democratic resilience of a country confronted by a difficult domestic and regional environment. An exploratory mission was deployed in view of the May 2013 elections (postponed now to November 2014). The challenging security situation will impose specific security measures and therefore an EAT is proposed instead of a full EOM.

Exploratory Mission (EM) Nigeria: Nigeria is a top priority for the EU for 2015 in terms of electoral observation. Elections are scheduled for February 2015 and the exploratory mission should therefore take place in September/October 2014 to allow for a proper planning of a full EOM.

Elections Expert Mission (EEM) Bolivia: An EOM was originally foreseen and an exploratory mission deployed. The EU has sent three EOMs between 2006 and 2009 and their recommendations have been largely implemented. A follow up mission was sent in 2013. Bolivia is a pilot country for EU's democracy support. The deployment of an EEM would be the minimum required to continue the EU's engagement with the democratic process in the country. The elections are scheduled for 10 October 2014.

EEM Haiti: The elections in Haiti will be an important test for the country's democracy. Following the deployment of an EOM for the last elections, an EEM would be the minimum to ensure the continuation of EU's engagement towards democracy in Haiti.

EEM Myanmar (by-elections): In March 2014, the UEC (Union Election Commission) announced that Myanmar would hold by-elections for the 30 current vacant seats in the various parliaments (13-upper, 6-lower & 11-regions/states) by late 2014. While a full EOM is planned for the general elections (foreseen in late 2015), the November 2014 (date to be confirmed) by-elections will be an important test for the political mood in the country as well as for the sincerity of the senior leadership to allow free and fair polls to take place.

Electoral Assessment Team (EAT) Afghanistan: Afghanistan is a top political priority for the EU and recent developments impose a continuation of its current engagement with the Election Assessment Team which covered the Presidential elections of 5 April and 14 June 2014. Latest developments changed the context of the mission. Further to last minute efforts by the US Secretary of State John Kerry, the two contenders of the Presidential elections announced their agreement for an internationally-monitored full audit of the eight million ballots cast. The United States and the United Nations are now requesting the help of the EU EAT electoral experts to lead this international effort. The audit is expected to consolidate confidence in the electoral result and, thus, avert a possible civil war in Afghanistan. The continued EU assistance implies extension of the EAT (electoral experts and their security support) until September 2014 with an estimated additional cost of EUR 2 million.