



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 4 December 2013
(OR. en)**

17136/13

FIN 861

COVER NOTE

From:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	4 December 2013
To:	Mr Algimantas RIMKUNAS, President of the Council of the European Union

Subject:	Transfer of appropriations No DEC 46/2013 within Section III - Commission - of the general budget for 2013
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Delegations will find attached Commission's document DEC 46/2013.

Encl.: DEC 46/2013



EUROPEAN COMMISSION

BRUSSELS, 02/12/2013

GENERAL BUDGET - 2013
SECTION III - COMMISSION TITLES 01, 19

TRANSFER OF APPROPRIATIONS N° DEC 46/2013

EUR

FROM

CHAPTER - 0103 International economic and financial affairs

ARTICLE - 01 03 02 Macro-financial assistance

Commitments - 30 000 000

TO

CHAPTER - 1908 European Neighbourhood Policy and relations with Russia

ITEM - 19 08 01 01 European Neighbourhood and Partnership financial cooperation with
Mediterranean countries

Commitments 30 000 000

I. INCREASE

a) Heading

19 08 01 01 - European Neighbourhood and Partnership financial cooperation with Mediterranean countries

b) Figures at 26/11/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	1 203 630 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	-30 000 000
3. Final appropriation for the year (1A+1B+2)	1 173 630 000
4. Utilisation of final appropriation	1 053 824 555
5. Amount not used/available (3-4)	119 805 445
6. Requirements up to year-end	149 805 445
7. Increase proposed	30 000 000
8. Increase as percentage of appropriation in budget (7/1A)	2.49%
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)

	Commitments
1. Appropriation available at start of year	57 485 445
2. Appropriation available on the 26/11/2013	0
3. Rate of utilisation [(1-2)/1]	100.00%

d) Detailed grounds for the increase

An amount of EUR 30 million commitment appropriations is requested to reinforce budget item 19 08 01 01.

Even with the positive perspective of a peace conference which has now been set up for 22 January 2014 (Geneva II), the situation inside Syria is rapidly deteriorating with more and more internally displaced people, and an increasing number of refugees in neighbouring countries (not only Lebanon and Jordan but also Turkey and Iraq) which is creating a serious burden on the host communities not only in socio-economic terms but also with political consequences.

The onset of winter, the difficulty for the population to access public services within Syria and the burden that this is creating in host communities in Lebanon and Jordan requires an urgent response. This call has been made by the countries themselves as well as by the main UN agencies and NGOs operating on the ground.

Therefore, there is a strong need to reinforce the EU's comprehensive response to the Syrian crisis in particular by addressing:

- the increasing needs of the internally-displaced population, in particular in terms of health and education which will also have an effect in the medium term as well as to provide assistance to the population in opposition-held areas in order to avoid the collapse of public/civilian structures that can provide services to the population.
- the socio-economic pressure from the influx of refugees in neighbouring countries which is exhausting the coping mechanism of the host communities (in particular in the areas of health, education, sanitation) but also creating a dangerous risk of political destabilisation and insecurity.

In 2013 alone, some EUR 271 million has already been provided from the European Neighbourhood and Partnership Instrument to support both the Syrian population and neighbouring countries. This support has been directed largely to the health and education sectors of Jordan and Lebanon, mostly supporting government-provided services although also with aid for health and education in refugee camps. In Jordan in particular assistance has been provided for waste management and for job-creation and livelihood initiatives. The additional funding requested will be used to reinforce these same sectors and programmes.

II. DECREASE

a) Heading

01 03 02 - Macro-financial assistance

b) Figures at 26/11/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	94 550 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	-25 000 000
3. Final appropriation for the year (1A+1B+2)	69 550 000
4. Utilisation of final appropriation	169 270
5. Amount not used/available (3-4)	69 380 730
6. Requirements up to year-end	39 380 730
7. Proposed decrease	30 000 000
8. Decrease as percentage of appropriation in budget (7/1A)	31.73%
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)

	Commitments
1. Appropriation available at start of year	0
2. Appropriation available on the 26/11/2013	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

There are two elements which allow for the transfer of EUR 30 million from the budget article for Macro-Financial Assistance (MFA).

First, the state of play for the current IMF programme for Georgia will not allow for the disbursement of MFA funds in 2013. Therefore, EUR 23 million in commitment appropriations, corresponding to the grant element of the MFA decision for Georgia, adopted in August 2013, can be made available for transfer.

Second, the negotiations on the Memorandum of Understanding, the Loan Facility Agreement and the Grant Agreement relating to the MFA-operation in the Kyrgyz Republic are taking longer than expected, and the commitments cannot be made before the year-end 2013. Therefore EUR 7 million can be made available for this transfer.