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COVER NOTE

From:	Ms Kristalina GEORGIEVA, Vice-President of the European Commission
date of receipt:	23 April 2015
To:	Mr Janis REIRS, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 17/2015 within Section III - Commission - of the general budget for 2015

Delegations will find attached Commission document DEC 17/2015.

Encl.: DEC 17/2015



EUROPEAN COMMISSION

BRUSSELS, 21/04/2015

GENERAL BUDGET - 2015
SECTION III - COMMISSION TITLES: 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 17/2015

FROM

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve (carried-over appropriations)	Commitments	-15 000 000,00
ARTICLE - 40 02 42 Emergency aid reserve	Payments	-15 000 000,00

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	15 000 000,00
ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food aid	Payments	15 000 000,00

I. DECREASE

I.1

a) Heading

40 02 42 - Emergency aid reserve (carried-over appropriations)

b) Figure at 20/04/2015

	Commitments
1A Appropriation in budget (initial budget + AB) [carried-over]	198 922 866,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	198 922 866,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	198 922 866,00
6 Requirements up to year-end	183 922 866,00
7 Proposed decrease	15 000 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	7,54 %
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 Appropriations available at start of the year	0,00
2 Appropriations available on 20/04/2015	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.

I.2

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 20/04/2015

	Payments
1A Appropriation in budget (initial budget + AB)	150 000 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	150 000 000,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	150 000 000,00
6 Requirements up to year-end	135 000 000,00
7 Proposed decrease	15 000 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	10,00 %
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 Appropriations available at start of the year	0,00
2 Appropriations available on 20/04/2015	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 20/04/2015

	Commitments
1A Appropriation in budget (initial budget + AB) [carried-over]	0,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	0,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	0,00
6 Requirements up to year-end	15 000 000,00
7 Proposed increase	15 000 000,00
8 Increase as percentage of appropriation in budget (7/1A)	n/a
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 Appropriations available at start of the year	62 508,54
2 Appropriations available on 20/04/2015	8 867,24
3 Rate of utilisation [(1-2)/1]	85,81 %

d) Detailed grounds for the transfer

On 15 April 2015 the implementation rate of appropriations of the humanitarian aid budget lines (chapter 23 02) was at, respectively:

- 85% in commitment appropriations and 24% in payment appropriations for humanitarian aid and food assistance;
- 100% in commitment appropriations and 22% in payment appropriations for disaster preparedness.

Such an implementation rate is in conformity with the operational strategy and budgetary planning for 2015 established by the Commission. Based on its humanitarian needs assessment, the Commission establishes, for the protracted crises, a preliminary budget allocation at country level for the year ahead. Furthermore, in line with Council and European Parliament orientations, an amount of EUR 176 million, nearly 24% of the initial operational budget, remained unallocated to address changing priorities and new emerging needs, the so-called Operational Reserve (OR).

The intensified conflict in Eastern Ukraine early February in and around Debaltseve caused an increased number of Internally Displaced People. The days preceding the entry into force of the ceasefire agreement of 12 February in Minsk witnessed intensified shelling and fighting and led to new waves of displacements.

Since December 2014, the number of displaced persons doubled and now reaches over 1,1 million. The needs have therefore seriously increased as confirmed by the recently revised United Nations' Humanitarian Response Plan (HRP) which almost doubled since December 2014 to USD 316 million.

As of end of March 2015, the HRP remains critically underfunded (only 15%) with little prospects for other donors significantly increasing their support due to the multiple other crises in the world and overstretched financial capacity. Being at the forefront of the humanitarian response, the EU, remaining true to its principles of solidarity and respect for human dignity, is obliged to assist the affected population.

Additional EU assistance in the amount of EUR 15 million is needed to support humanitarian actions related to the crisis affecting Ukraine, as described in the attached Annex.

The Commission has examined all possibilities for reprogramming appropriations within the Humanitarian aid budget. The OR currently stands at EUR 135 million in commitment appropriations. This amount will be needed to maintain an adequate response capacity for worsening crises such the ones in the Central African Republic, Libya, Iraq, South Sudan, etc. and for interventions following small scale and other recurring natural disasters until the end of the year.

The Commission has also looked within Heading 4 for appropriations for redeployment. However, to date no availabilities have been found.

A reinforcement of EUR 15 million in both commitment and payment appropriations is therefore requested through the mobilisation of the Emergency Aid Reserve.

II.2

a) Heading

23 02 01 - Delivery of rapid, effective and needs-based humanitarian aid and food aid

b) Figure at 20/04/2015

	Payments
1A Appropriation in budget (initial budget + AB)	872 446 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	872 446 000,00
4 Utilisation of final appropriation	211 084 170,19
5 Amount not used/available (3-4)	661 361 829,81
6 Requirements up to year-end	676 361 829,81
7 Proposed increase	15 000 000,00
8 Increase as percentage of appropriation in budget (7/1A)	1,72 %
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 Appropriations available at start of the year	28 512,24
2 Appropriations available on 20/04/2015	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

See pages 4 and 5 (justifications for increase of commitment appropriations of the same line 23 02 01).

Annex

UKRAINE

2014 Total amount committed for this crisis	EUR 11.05 million
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2015 Amount committed through the initial Humanitarian Implementation Plan(HIP) relating to this crisis	EUR 5 million
Funds already committed this year for this crisis from the: - Operational Reserve	EUR10 million
Total amount committed from the EU budget this year	EUR 15 million
Other EU budget funding (Development cooperation etc.) for Internally Displaced People	EUR 21.5 million
Other donors (source Financial Tracking Service as of 1/4/2015): United States, Germany, Russia, Japan etc.	EUR 35 million

Total needs	EUR 15 million
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Timing - When are the funds needed?
Funds are needed as of April 2015.

Why the additional funding is needed?
<p>The intensified fighting in early February 2015 in and around Debaltseve increased the number of Internally Displaced People (IDP). The days preceding the entry into force of the ceasefire agreement of 12 February in Minsk witnessed intensified shelling and fighting and led to new waves of displacements. Despite the ceasefire, shelling and fighting are still reported in and around Mariupol, in the north of Donetsk city and airport and in the north of Luhansk city.</p> <p>Since December 2014, the number of displaced persons doubled and now reaches over 1 152 000. Needs have therefore seriously increased as it has been confirmed by the recently revised UN Humanitarian Response Plan (HRP) which almost doubled since December 2014 to USD 316 million.</p> <p>Out of the 5 million people considered in need of humanitarian assistance in Eastern Ukraine, 3.2 million are estimated to be most vulnerable. Humanitarian concerns are more severe in non-government held areas than in government-controlled areas, mainly due to poor financial conditions of individuals and limited availability of drugs and food; a direct consequence of the Presidential Decree of December cutting the payment of pensions and salaries of public institutions in the non-government controlled areas. Furthermore, due to the Temporary Order of end-January restricting the movement of population, people are trapped in these areas without access to food and no income. In return, the ceasefire agreement signed on 12 February provides an improved humanitarian access to non-government controlled areas, where i.e. UN agencies are increasing their footprint.</p> <p>A recent measure of packages concerning the status of areas beyond government control, now declared by Parliament as occupied territories, also triggered an increase of displacement and humanitarian needs. In addition to the shortage of food and drugs, shelter repair and Non Food Items are heavily needed. Health conditions and access to health services have also been</p>

hampered by continuous obstacles on medicines import. Elderly people and children under 5 years are reported to be the most vulnerable.

As of end of March, the HRP remains critically underfunded (only 15% so far) with little prospects for other donors significantly increasing their support due to the multiple other crises in the world and overstretched financial capacity. Being at the forefront of the humanitarian response, the EU needs to keep on showing its continuous support.

What will it be used for?

The additional EUR 15 million will be used to respond to the large unmet humanitarian needs. It will allow to scale up on-going operations and to reach out more beneficiaries mainly through the provision of life-saving assistance: food, non-food items, health, wash and shelter assistance in the conflict zone, along the "frontline" in the non-government and government-held areas and government controlled areas with the most significant concentrations of IDPs.

The funding will also be used for winterization for vulnerable populations affected by the conflict towards the end of the year. In case of deterioration of the security situation in particular in the prospect of stronger military engagements around Mariupol and Donetsk, part of the funding will be used for contingency planning and prepositioning of stocks.