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COVER NOTE

From:	Ms Kristalina GEORGIEVA, Vice-president of the European Commission
date of receipt:	2 December 2015
To:	Mr Pierre GRAMEGNA, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 43/2015 within Section III - Commission - of the general budget for 2015

Delegations will find attached Commission document DEC 43/2015.

Encl.: DEC 43/2015

I. DECREASE

I.1

a) Heading

19 03 01 04 - Other crisis management measures and operations

b) Figure at 26/11/2015

	Commitments
1A Appropriation in budget (Initial Budget + AB)	85 250 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	85 250 000,00
4 Utilisation of final appropriation	23 689 445,47
5 Amount not used/available (3-4)	61 560 554,53
6 Requirements up to year-end	41 560 554,53
7 Proposed decrease	20 000 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	23,46 %
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) (C5)

	Commitments
1 Appropriations available at start of the year	8 005 554,53
2 Appropriations available on 26/11/2015	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

Due to the delay in the adoption of the Council decision for the establishment of the Kosovo Specialist Chambers, there is an amount of EUR 51 million that can be redeployed for other needs. EUR 20 million of that amount can be made available in the context of this transfer.

I.2

a) Heading

19 03 02 - Support to non-proliferation and disarmament

b) Figure at 26/11/2015

	Payments
1A Appropriation in budget (Initial Budget + AB)	24 075 019,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	24 075 019,00
4 Utilisation of final appropriation	9 946 075,45
5 Amount not used/available (3-4)	14 128 943,55
6 Requirements up to year-end	13 128 943,55
7 Proposed decrease	1 000 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	4,15 %
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) (C5)

	Payments
1 Appropriations available at start of the year	41 841,00
2 Appropriations available on 26/11/2015	0,00
3 Rate of utilisation $[(1-2)/1]$	100,00 %

d) Detailed grounds for the transfer

Given more immediate and urgent needs in the Humanitarian aid policy area, an amount of EUR 1 million in payment appropriations can be made available for redeployment.

I.3

a) Heading

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

b) Figure at 26/11/2015

	Payments
1A Appropriation in budget (Initial Budget + AB)	27 698 700,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-3 619 870,00
3 Final appropriation for the year (1A+1B+2)	24 078 830,00
4 Utilisation of final appropriation	13 850 883,23
5 Amount not used/available (3-4)	10 227 946,77
6 Requirements up to year-end	8 127 946,77
7 Proposed decrease	2 100 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	7,58 %
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) (C5)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 26/11/2015	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The unstable political environment in 2015 in priority countries led to the cancellation or postponement of several electoral processes (Philippines - Mindanao, Palestine, Libya and Afghanistan). As a result, the planned missions there had to be cancelled or postponed too. Furthermore, unfavourable political developments in Burundi forced the EU to rearrange its priorities since the necessary political conditions for a transparent electoral process were no longer met. The limited timeframe left until the end of the year does not allow for the preparation and deployment of non-programmed missions.

Therefore, an amount of EUR 2.1 million in payment appropriations can be made available for redeployment.

I.4

a) Heading

19 05 01 - Cooperation with third countries to advance and promote Union and mutual interests

b) Figure at 26/11/2015

	Payments
1A Appropriation in budget (Initial Budget + AB)	41 392 773,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-13 942 300,23
3 Final appropriation for the year (1A+1B+2)	27 450 472,77
4 Utilisation of final appropriation	10 532 821,08
5 Amount not used/available (3-4)	16 917 651,69
6 Requirements up to year-end	6 117 651,69
7 Proposed decrease	10 800 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	26,09 %
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) (C5)

	Payments
1 Appropriations available at start of the year	81 896,33
2 Appropriations available on 26/11/2015	68 294,03
3 Rate of utilisation $[(1-2)/1]$	16,61 %

d) Detailed grounds for the transfer

As per procurement planning, the signature of a number of contracts is now delayed to the end of the year. As a result, the payment of pre-financing due under these contracts would also be delayed to the beginning of 2016.

Therefore, an amount of EUR 10.8 million in payment appropriations can be made available for redeployment.

I.5

a) Heading

20 02 03 - Aid for trade -- Multilateral initiatives

b) Figure at 26/11/2015

	Payments
1A Appropriation in budget (Initial Budget + AB)	9 300 045,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-2 750 000,00
3 Final appropriation for the year (1A+1B+2)	6 550 045,00
4 Utilisation of final appropriation	3 099 470,80
5 Amount not used/available (3-4)	3 450 574,20
6 Requirements up to year-end	1 050 574,20
7 Proposed decrease	2 400 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	25,81 %
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) (C5)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 26/11/2015	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

Changes in the regulatory basis resulted in funding agreements with some international organisations being signed very late in 2015 or postponed to 2016, thereby reducing the need for pre-financing in 2015. In addition, on the on-going trade negotiations it is difficult to predict when exactly negotiation rounds will be organised and/or related studies (such as sustainability impact assessments) need to be launched. The implementation of the Better Regulation Package has also entailed some delays which could not be anticipated at the time of the drafting of the 2015 budget.

Therefore, an amount of EUR 2.4 million in payment appropriations can be made available for redeployment.

I.6

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 26/11/2015

	Payments
1A Appropriation in budget (Initial Budget + AB)	150 000 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-131 110 746,00
3 Final appropriation for the year (1A+1B+2)	18 889 254,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	18 889 254,00
6 Requirements up to year-end	16 809 075,00
7 Proposed decrease	2 080 179,00
8 Decrease as percentage of appropriation in budget (7/1A)	1,39 %
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) (C5)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 26/11/2015	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 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 26/11/2015

	Commitments	Payments
1A Appropriation in budget (Initial Budget + AB)	882 446 000,00	928 182 000,00
1B Appropriation in budget (EFTA)	0,00	0,00
2 Transfers	108 077 134,00	149 264 000,00
3 Final appropriation for the year (1A+1B+2)	990 523 134,00	1 077 446 000,00
4 Utilisation of final appropriation	976 158 134,00	919 244 979,30
5 Amount not used/available (3-4)	14 365 000,00	158 201 020,70
6 Requirements up to year-end	34 365 000,00	176 581 199,70
7 Proposed increase	20 000 000,00	18 380 179,00
8 Increase as percentage of appropriation in budget (7/1A)	2,27 %	1,98 %
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	n/a

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

	Commitments	Payments
1 Appropriations available at start of the year	62 508,54	28 512,24
2 Appropriations available on 26/11/2015	0,00	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %	100,00 %

d) Detailed grounds for the transfer

As of 26 November 2015 the overall implementation rate for the humanitarian aid chapter stood at 98% for commitment appropriations and at 84 % for payment appropriations.

The initial amount of the Operational Reserve was set at EUR 176 million but at this point only EUR 18 million in commitment appropriations remains available. However, an amount of EUR 13 million is currently being processed to cope with emergencies in, amongst others, Yemen, Boko Haram affected countries, and in countries of Latin America/Caribbean region affected by the El Niño phenomenon, which are not eligible for funding from the European Development Fund. The remaining balance of EUR 5 million is planned to be used for other critical situations, such as in the region of the Great Lakes.

The situation in South Sudan continues to deteriorate. Against a nationwide crisis of food insecurity, the latest Integrated Phase Classification (IPC) results now indicate that food insecurity is spreading and deepening, including in locations previously considered as stable. According to these results, 3.1 million people are in crisis and 830 000 people are in emergency phase of food insecurity, while 30 000 people are considered to be in a catastrophe phase requiring urgent humanitarian assistance.

This is the first time that people are identified in a catastrophe phase of food insecurity in Africa since the Somalia's famine in 2011-2012. There is, therefore, a concrete risk of famine occurring between now and December 2015 if urgent humanitarian assistance is not provided.

In addition, a measles outbreak, caused by inadequacies of the routine vaccination system, has been declared with cases in all 10 but one state of the country.

Additional EU humanitarian assistance in the amount of EUR 20 million in commitment appropriations and EUR 18.4 million in payment appropriations is needed mainly for food assistance and basic emergency services including health and nutrition.

More information on the crisis is provided in the attached annex.

ANNEX

SUDAN AND SOUTH SUDAN

Total amount committed in 2014 for this crisis	EUR 145.265 million
Amount committed through the 2015 initial Humanitarian Implementation Plan (HIP) related to this crisis	EUR 82 million
Funds already committed this year for this crisis from the: - Operational Reserve - Emergency Aid Reserve - EU Children of Peace Initiative HIP	EUR 4 million EUR 53 million EUR 1.25 million
Total amount from EU Humanitarian aid budget committed in 2015 (i.e. total revised HIP and/or Emergency Decisions)	EUR 140.25 million
Other EU budget funding (Development cooperation etc.)	0
Other donors (<i>source Financial Tracking Service as of 13/11/2015, including EU budget</i>)	USD 1 824 479 945

Total additional needs	EUR 20 million
Breakdown by country (if applicable): - South Sudan - Sudan	EUR 20 million 0

Timing

The funds are needed immediately.

Why the additional funding is needed?
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Additional funding is needed to urgently respond to growing humanitarian needs resulting from the deteriorating situation in terms of food insecurity, malnutrition and epidemic outbreaks.

Against a nationwide crisis of **food insecurity**, the October 2015 Integrated Phase Classification (IPC) results indicate that food insecurity is spreading and deepening, including in locations previously considered stable. 3.1 million people are in crisis (IPC Phase 3) and 830 000 in emergency (IPC Phase 4) food insecurity phase. Of extreme concern are 30 000 people estimated to be in catastrophe (IPC Phase 5) phase requiring urgent humanitarian assistance. This is the first time people are identified in the IPC 5 phase in Africa since the Somalia famine of 2011-2012. There is a concrete risk of famine occurring between now and December 2015 if urgent humanitarian access and assistance is not provided in the most affected areas, in particular in southern Unity State. The most affected populations are the Internally Displaced Persons (IDPs) who are dispersed and the host communities affected by the ongoing conflict.

The overall **nutrition situation** remains critical with Global Acute Malnutrition (GAM) prevalence above the emergency threshold (GAM >15%) in the conflict affected states and in other areas.

At the same time, a **measles outbreak** has been declared in parts of the country. All 10 States but one (Northern Bahr el Gazal) are reporting cases (total of 460). Because of the inadequacies of the routine countrywide vaccination system measles cases are increasing in many areas, in a lethal combination with the high levels of malnutrition.

A **malaria outbreak** was declared in August 2015. It has affected five states, with more than 1.8 million cases confirmed countrywide, 634 deaths and malaria accounting for 43% of total consultations. On average, more than 37 000 new malaria cases are reported every week. Emergency procurement of malaria drugs, rapid diagnostic tests and mosquito nets is underway. Malaria accounts for 17% of all deaths recorded at IDP sites.

The 2015 South Sudan Humanitarian Response Plan, which was revised in June 2015 to USD 1.63 billion, is currently 58% funded. The funding gap amounts to USD 684 million. The 2015 appeal of the International Committee of the Red Cross for an amount of EUR 150 million also has a funding gap of EUR 30 million.

What will be the increase used for?

The main axes of response will be food assistance, basic emergency services including health and nutrition.