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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	10 April 2018
To:	Ms Marinela PETROVA, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 07/2018 within Section III - Commission - of the general budget for 2018

Delegations will find attached Commission document DEC 07/2018.

Encl.: DEC 07/2018



BRUSSELS, 10/04/2018

GENERAL BUDGET - 2018
SECTION III - COMMISSION TITLES: 04, 13, 21, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 07/2018**FROM**

CHAPTER - 0405 Instrument for Pre-Accession Assistance -- Employment, Social Policies and Human Resources Development

ARTICLE - 04 05 51 Completion of actions (prior to 2014) -- Instrument for Pre-Accession Assistance -- Human resources development	Payments	-4 000 000,00
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CHAPTER - 1305 Instrument for Pre-Accession Assistance -- Regional development and regional and territorial cooperation

ARTICLE - 13 05 02 Instrument for Pre-Accession Assistance (IPA) -- Completion of regional development component (2007 to 2013)	Payments	-6 978 500,00
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ITEM - 13 05 63 02 Cross-border cooperation (CBC) -- Contribution from Heading 4	Commitments	-1 596 750,00
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CHAPTER - 2102 Development Cooperation Instrument (DCI)

ARTICLE - 21 02 02 Cooperation with Asia	Commitments	-1 000 000,00
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CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve (Carry Over)	Commitments	-23 403 250,00
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ARTICLE - 40 02 42 Emergency aid reserve	Payments	-15 021 500,00
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TO

CHAPTER - 2302 Humanitarian aid, food assistance and disaster preparedness

ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food assistance (Carry Over)	Commitments	23 403 250,00
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ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food assistance	Commitments	2 596 750,00
	Payments	26 000 000,00

I. DECREASE

I.1

a) Heading

04 05 51 - Completion of actions (prior to 2014) -- Instrument for Pre-Accession Assistance -- Human resources development

b) Figure at 27/03/2018

	Payments
1 Appropriation in budget (Initial Budget + AB)	5 000 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	5 000 000,00
4 Utilisation of final appropriation	953 775,34
5 Amount not used/available (3-4)	4 046 224,66
6 Requirements up to year-end	46 224,66
7 Proposed decrease	4 000 000,00
8 Decrease as percentage of appropriation in budget (7/1)	80,00 %
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)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 27/03/2018	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

All Instrument for Pre-Accession Assistance (IPA) programmes under this budget line have reached the maximum thresholds of 90% for intermediary payment prior the final application for payment. Therefore, no further payment can be done until the closure documents are received, analysed and final payments or recoveries can be made. This is not expected to take place in the course of 2018. The amount can therefore be redeployed for other needs in Heading 4.

I.2

a) Heading

13 05 02 - Instrument for Pre-Accession Assistance (IPA) -- Completion of regional development component (2007 to 2013)

b) Figure at 27/03/2018

	Payments
1 Appropriation in budget (Initial Budget + AB)	14 062 935,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	14 062 935,00
4 Utilisation of final appropriation	7 034 705,77
5 Amount not used/available (3-4)	7 028 229,23
6 Requirements up to year-end	49 729,23
7 Proposed decrease	6 978 500,00
8 Decrease as percentage of appropriation in budget (7/1)	49,62 %
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)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 27/03/2018	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The budget line was reinforced at the end of 2017¹, allowing for the payment of claims that arrived earlier than forecasted. The amount is therefore not needed in 2018 and can be made available for redeployment.

¹ Commission-internal transfer of 20 December 2017 within the same chapter in accordance with Article 26(1)(a) of the Financial Regulation.

I.3

a) Heading

13 05 63 02 - Cross-border cooperation (CBC) -- Contribution from Heading 4

b) Figure at 27/03/2018

	Commitments
1 Appropriation in budget (Initial Budget + AB)	46 426 947,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	46 426 947,00
4 Utilisation of final appropriation	44 830 197,00
5 Amount not used/available (3-4)	1 596 750,00
6 Requirements up to year-end	0,00
7 Proposed decrease	1 596 750,00
8 Decrease as percentage of appropriation in budget (7/1)	3,44 %
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 27/03/2018	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The IPA-CBC programmes for the period 2014-2020 are funded by a contribution of 50% from the European Regional Development Fund (ERDF) and 50% from IPA. Following the non-adoption of two IPA-CBC programmes: Turkey-Cyprus (TR-CY) and Turkey-Greece (TR-GR) by 30 June 2017, part of the IPA funding planned for these two programmes remained available and can be re-deployed to other needs in Heading 4.

I.4

a) Heading

21 02 02 - Cooperation with Asia

b) Figure at 27/03/2018

	Commitments
1 Appropriation in budget (Initial Budget + AB)	809 848 013,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	809 848 013,00
4 Utilisation of final appropriation	89 813 498,00
5 Amount not used/available (3-4)	720 034 515,00
6 Requirements up to year-end	719 034 515,00
7 Proposed decrease	1 000 000,00
8 Decrease as percentage of appropriation in budget (7/1)	0,12 %
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	704 543,60
2 Appropriations available on 27/03/2018	704 543,60
3 Rate of utilisation [(1-2)/1]	0,00 %

d) Detailed grounds for the transfer

An amount of EUR 1 million in commitment appropriations is made available from the Development Cooperation Instrument (DCI) as part of the amount pledged during the Conference for the Rohingya crisis of 23 October 2017 in Geneva. EUR 4 million in commitment appropriations were already transferred in 2017² from budget line 21 02 04 'Cooperation with Middle East' to Humanitarian aid for short-term and medium-term assistance to the Rohingya and their host communities in Bangladesh's Cox Bazar region.

² Commission-internal transfer for crisis management aid and humanitarian aid of 20 December 2017 in accordance with Article 26(2)(b) of the Financial Regulation. The Budgetary Authority was immediately notified through note ARES(2017)6250506.

I.5

a) Heading

40 02 42 - Emergency aid reserve (Carry Over)

b) Figure at 27/03/2018

	Commitments
1 Appropriation in budget (Carry Over)	61 705 366,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	61 705 366,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	61 705 366,00
6 Requirements up to year-end	38 302 116,00
7 Proposed decrease	23 403 250,00
8 Decrease as percentage of appropriation in budget (7/1)	37,93 %
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 27/03/2018	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.6

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 27/03/2018

	Payments
1 Appropriation in budget (Initial Budget + AB)	344 600 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	344 600 000,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	344 600 000,00
6 Requirements up to year-end	329 578 500,00
7 Proposed decrease	15 021 500,00
8 Decrease as percentage of appropriation in budget (7/1)	4,36 %
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)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 27/03/2018	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

Same justification as for the previous line (please see page 6).

II. INCREASE

II.1

a) Heading

23 02 01 - Delivery of rapid, effective and needs-based humanitarian aid and food assistance (Carry Over)

b) Figure at 27/03/2018

	Commitments
1 Appropriation in budget (Carry Over)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1+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	23 403 250,00
7 Proposed increase	23 403 250,00
8 Increase as percentage of appropriation in budget (7/1)	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) 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	314,12
2 Appropriations available on 27/03/2018	314,12
3 Rate of utilisation [(1-2)/1]	0,00 %

d) Detailed grounds for the transfer

The Rohingya refugee crisis started with the violence of August 2017 in the North Rakhine State of Myanmar, which caused many casualties and the displacement of more than one million Rohingya refugees to Bangladesh. The humanitarian needs in the camps will be further exacerbated during the monsoon season in the coming months. In addition, it is important for the EU to continue to contribute to the joint efforts of the international community in responding to this on-going crisis. The requested additional EU assistance amounts to EUR 26 million in commitment and payment appropriations (in addition to the EUR 3 million programmed last year for this crisis for the 2018 Humanitarian Implementation Plan).

The requested additional EUR 26 million in EU support will finance emergency interventions in the areas of nutrition, water and sanitation, health and protection, including gender-based violence and child protection. The beneficiaries will be the refugees and their host communities in Cox's Bazar, Bangladesh.

As of 21 March, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 23 02 was at 83.5%, while for payment appropriations it was at 13.8%. The remaining balance of EUR 77 million in the Operational Reserve, after taking into account commitments currently being processed, needs to be preserved to cover urgent crises until the end of the year. An equal reinforcement in commitment and payment appropriations is needed, since it is expected that the payment appropriations currently available in the budget will be fully used for the currently planned actions.

The Commission has also considered availabilities from other policy areas in Heading 4. An amount of EUR 1 million in commitment appropriations is made available from the Development Cooperation Instrument (DCI) as part of the amount pledged during the Conference for the Rohingya crisis of 23 October 2017 in Geneva. An additional amount of EUR 1,6 million in commitment appropriations and EUR 11 million in payment appropriations is made available from funds that cannot be used under the Instrument for Pre-accession (IPA).

The Commission therefore requests the mobilisation of the Emergency Aid Reserve in the amount of EUR 23,4 million in commitment appropriations and EUR 15 million in payment appropriations.

II.2

a) Heading

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

b) Figure at 27/03/2018

	Commitments	Payments
1 Appropriation in budget (Initial Budget + AB)	1 026 028 642,00	1 040 825 501,00
2 Transfers	0,00	0,00
3 Final appropriation for the year (1+2)	1 026 028 642,00	1 040 825 501,00
4 Utilisation of final appropriation	849 400 000,00	153 262 950,58
5 Amount not used/available (3-4)	176 628 642,00	887 562 550,42
6 Requirements up to year-end	179 225 392,00	913 562 550,42
7 Proposed increase	2 596 750,00	26 000 000,00
8 Increase as percentage of appropriation in budget (7/1)	0,25 %	2,50 %
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 from previous year)

	Commitments	Payments
1 Appropriations available at start of the year	314,12	91 116,59
2 Appropriations available on 27/03/2018	314,12	0,00
3 Rate of utilisation [(1-2)/1]	0,00 %	100,00 %

d) Detailed grounds for the transfer

Same justification as for the previous line (please see pages 8 and 9).

ANNEX

COMMISSION TRANSFER PROPOSALS RELATED TO THE EMERGENCY AID RESERVE IN 2018

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2018 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 2018 Reserve (EUR)	Commitment Appropriations from Reserve carried-over (EUR)	Payment Appropriations from 2018 Reserve (EUR)
DEC 07	Mobilisation of the EAR for additional humanitarian aid for the Rohingya crisis		23 403 250	15 021 500
DEC 08	Mobilisation of the EAR for additional humanitarian aid for Somalia	11 697 884	38 302 116	50 000 000
DEC 09	Mobilisation of the EAR for additional humanitarian aid for Yemen	40 000 000		40 000 000
	Total of Proposals	51 697 884	61 705 366	105 021 500
	Remainder	292 902 116	0	239 578 500
	Total remainder of commitment appropriations	292 902 116		