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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	22 June 2018
To:	Ms Marinela PETROVA, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 17/2018 within Section III - Commission - of the general budget for 2018

Delegations will find attached Commission document DEC 17/2018.

Encl.: DEC 17/2018



BRUSSELS, 22/06/2018

GENERAL BUDGET - 2018
SECTION III - COMMISSION TITLES: 01, 19

TRANSFER OF APPROPRIATIONS N° DEC 17/2018

FROM

CHAPTER - 0103 International economic and financial affairs

ARTICLE - 01 03 02 Macro-financial assistance	Commitments	-20 000 000,00
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TO

CHAPTER - 1903 Common foreign and security policy (CFSP)

ITEM - 19 03 01 04 Other crisis management measures and operations	Commitments	11 000 000,00
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ARTICLE - 19 03 02 Support to non-proliferation and disarmament	Commitments	9 000 000,00
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I. DECREASE

I.1

a) Heading

01 03 02 - Macro-financial assistance

b) Figure at 06/06/2018

	Commitments
1 Appropriation in budget (Initial Budget + AB)	42 086 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	42 086 000,00
4 Utilisation of final appropriation	72 510,00
5 Amount not used/available (3-4)	42 013 490,00
6 Requirements up to year-end	22 013 490,00
7 Proposed decrease	20 000 000,00
8 Decrease as percentage of appropriation in budget (7/1)	47,52 %
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 06/06/2018	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The current pipeline of macro-financial assistance (MFA) operations indicates that no new MFA operations with a grant component, apart from EUR 10 million for MFA Georgia, will be adopted this year, which implies that EUR 31,5 million in commitment appropriations can be made available from the MFA grants budget line 01 03 02. It is proposed to use these appropriations to reinforce both the Common Foreign and Security Policy (DEC 17 – EUR 20 million) and the Migration and Asylum budget line of the Development Cooperation Instrument (DEC 18 – EUR 11,5 million).

II. INCREASE

II.1

a) Heading

19 03 01 04 - Other crisis management measures and operations

b) Figure at 06/06/2018

	Commitments
1 Appropriation in budget (Initial Budget + AB)	149 130 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	149 130 000,00
4 Utilisation of final appropriation	75 436 932,64
5 Amount not used/available (3-4)	73 693 067,36
6 Requirements up to year-end	84 693 067,36
7 Proposed increase	11 000 000,00
8 Increase as percentage of appropriation in budget (7/1)	7,38 %
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	5 961 801,67
2 Appropriations available on 06/06/2018	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

The Interinstitutional Agreement between the European Parliament, the Council and the European Commission of December 2013 stipulates in point 24 that: "In the event of the amount of the CFSP (Common Foreign and Security Policy) budget chapter during the financial year being insufficient to cover the necessary expenses, the European Parliament and the Council shall seek a solution as a matter of urgency, on a proposal from the Commission, taking into account Article 3 of the Multiannual Financial Framework (MFF) Regulation and Point 10 of this Agreement."

The Common Foreign and Security Policy (CFSP) budget is fully programmed this year in line with the political agenda and priorities of the Council, with a pipeline of missions and other actions beyond the current budget. The forecast until the end of the year, based on the most recent information on the needs, shows a shortfall of EUR 32 million compared to the available budget. After taking into account the amount of unused appropriations expected to be recovered from the missions and other actions (EUR 12 million), a reinforcement of EUR 20 million in commitment appropriations is requested for the CFSP budget chapter 19 03.

In particular, on budget line 19 03 01 04 - Other crisis management measures and operations, a reinforcement of EUR 11 million in commitment appropriations is requested for the following reasons:

- In 2017, a new European Union Advisory Mission (EUAM) was launched in Iraq for an initial amount of EUR 14 million until October 2018. The same amount was initially planned for 2018. However, during the course of this year it became clear that an additional EUR 6 million (i.e. EUR 20 million combined) will be needed in 2018 to cover the renewal of the mandate as of October 2018, including for the financing of high security costs.
- A new initiative under Art. 28 TEU in support of Yemen is currently being discussed by Member States to be launched within the next months. The expected funding needs amount to EUR 5 million.

II.2

a) Heading

19 03 02 - Support to non-proliferation and disarmament

b) Figure at 06/06/2018

	Commitments
1 Appropriation in budget (Initial Budget + AB)	20 000 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	20 000 000,00
4 Utilisation of final appropriation	10 380 376,06
5 Amount not used/available (3-4)	9 619 623,94
6 Requirements up to year-end	18 619 623,94
7 Proposed increase	9 000 000,00
8 Increase as percentage of appropriation in budget (7/1)	45,00 %
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) 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	25 487,92
2 Appropriations available on 06/06/2018	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

The Interinstitutional Agreement between the European Parliament, the Council and the European Commission of December 2013 stipulates in point 24 that: "In the event of the amount of the CFSP (Common Foreign and Security Policy) budget chapter during the financial year being insufficient to cover the necessary expenses, the European Parliament and the Council shall seek a solution as a matter of urgency, on a proposal from the Commission, taking into account Article 3 of the Multiannual Financial Framework (MFF) Regulation and Point 10 of this Agreement."

The Common Foreign and Security Policy (CFSP) budget is fully programmed this year in line with the political agenda and priorities of the Council, with a pipeline of missions and other actions beyond the current budget. The forecast until the end of the year, based on the most recent information on the needs, shows a shortfall of EUR 32 million compared to the available budget. After taking into account the amount of unused appropriations expected to be recovered from the missions and other actions (EUR 12 million), a reinforcement of EUR 20 million in commitment appropriations is requested for the CFSP budget chapter 19 03.

In particular, on budget line 19 03 02, a reinforcement of EUR 9 million in commitment appropriations is needed in view of the growing ambitions of the Council for projects in the field of non-proliferation and disarmament (NPD).

The current pipeline for NPD projects already exceeds the current voted budget of EUR 20 million. Additional needs have been identified, for example, for projects in the area of:

- countering proliferation and trafficking of small arms, light weapons and ammunition and their impact in the Americas, to be implemented through the Organisation of American States;
- combating the illicit trade in and the proliferation of small arms and light weapons in Arab States, through the League of Arab States;
- support to the development of a gender approach to combatting the proliferation of small arms and light weapons worldwide with a specific focus to children, adolescents and youth and the implementation of the Women, Peace and Security Agenda (United Nations Security Council Resolution 1325), to be implemented through the United National Office for Disarmament Affairs (UNODA).

This will bring the total needs on the line to EUR 29 million.