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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	21 September 2018
To:	Mr Hartwig LÖGER, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 25/2018 within Section III - Commission - of the general budget for 2018

Delegations will find attached Commission document DEC 25/2018.

Encl.: DEC 25/2018



BRUSSELS, 21/09/2018

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

TRANSFER OF APPROPRIATIONS N° DEC 25/2018

FROM

CHAPTER - 2102 Development Cooperation Instrument (DCI)

ARTICLE - 21 02 09 Pan-African programme to support the Joint Africa-European Union Strategy	Payments	-31 360 225,00
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ITEM - 21 02 77 31 Pilot project -- Santé pour tous -- Health for All	Commitments	-1 200 000,00
	Payments	-639 775,00

ITEM - 21 02 77 32 Preparatory action -- Young European volunteers for development	Commitments	-1 000 000,00
	Payments	-500 000,00

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve	Commitments	-47 800 000,00
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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	Commitments	50 000 000,00
	Payments	32 500 000,00

I. DECREASE

I.1

a) Heading

21 02 09 - Pan-African programme to support the Joint Africa-European Union Strategy

b) Figure at 17/09/2018

	Payments
1 Appropriations in budget (Initial Budget + AB)	105 041 165,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	105 041 165,00
4 Appropriations already used	33 952 966,40
5 Appropriations available (3-4)	71 088 198,60
6 Proposed decrease	31 360 225,00
7 Total appropriations up to year end (5-6)	39 727 973,60
8 Decrease as percentage of appropriations in budget (7/1)	29,86 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	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 17/09/2018	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The reason for the surplus under this budget line is that the African Union (AU), as implementing agency, has registered continuous delays in the implementation of the African Union Research Grants. Contracting will only occur late December 2018 and therefore no payments are expected before 2019.

Furthermore, on the project "African Union Support Expenditure - 3", the implementation of the 2018 annual work programme indicates a lower than planned eligible expenditure incurred by the AU Commission.

I.2

a) Heading

21 02 77 31 - Pilot project -- Santé pour tous -- Health for All

b) Figure at 17/09/2018

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 200 000,00	850 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	1 200 000,00	850 000,00
4 Appropriations already used	0,00	210 225,00
5 Appropriations available (3-4)	1 200 000,00	639 775,00
6 Proposed decrease	1 200 000,00	639 775,00
7 Total appropriations up to year end (5-6)	0,00	0,00
8 Decrease as percentage of appropriations in budget (7/1)	100,00 %	75,27 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments	Payments
1 Appropriations available at start of the year	0,00	0,00
2 Appropriations available on 17/09/2018	0,00	0,00
3 Implementation rate [(1-2)/1]	n/a	n/a

d) Detailed grounds for the transfer

As the Commission indicated in its Letter on the Executability of amendments adopted by the Council and the European Parliament in their reading of the Draft Budget (DB) 2018, although it recognises the need to take measures to improve the health of the Togolese population, it will not be in a position to continue implementing the Pilot Project in 2018.

In particular, there are concerns about the sustainability of the action as implemented by the specified Non-government Organisations (Aimes-Afrique (Togo) and Aktion-PiT-Togohilfe.V. (Germany)) due to the lack of alignment with the national health policy. Additional financing of the ongoing action would not remove this risk and is therefore considered not justified.

Moreover, the Commission is missing "health" expertise in the EU Delegation in Togo, which is a small-size one. This makes it difficult to follow-up the project's implementation, thus putting an extra risk on its sound financial management.

I.3

a) Heading

21 02 77 32 - Preparatory action -- Young European volunteers for development

b) Figure at 17/09/2018

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 000 000,00	500 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	1 000 000,00	500 000,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	1 000 000,00	500 000,00
6 Proposed decrease	1 000 000,00	500 000,00
7 Total appropriations up to year end (5-6)	0,00	0,00
8 Decrease as percentage of appropriations in budget (7/1)	100,00 %	100,00 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments	Payments
1 Appropriations available at start of the year	0,00	0,00
2 Appropriations available on 17/09/2018	0,00	0,00
3 Implementation rate [(1-2)/1]	n/a	n/a

d) Detailed grounds for the transfer

As the Commission indicated in its 'Response to the list of draft proposals for Pilot Projects and Preparatory Actions in Budget 2019', it will not be in a position to implement the Preparatory Action in 2018.

In the context of the future Multiannual Financial Framework (MFF) proposals, the Commission has proposed a consolidation of the European Solidarity Corps (COM (2018) 440), which would incorporate the EU Aid Volunteers scheme. The vast majority of EU Aid Volunteers actions already have a humanitarian-development focus (i.e. disaster risk reduction, linking relief, rehabilitation and development). In addition, the Commission has proposed that the future European Solidarity Corps creates opportunities so that volunteering is implemented in coherence with the external action policies, including development policy.

Moreover, under both the European Solidarity Corps and the EU Aid Volunteers scheme (at present), the activities are implemented under streamlined procedures (calls for proposals, insurance scheme, pre-posting training for the volunteers) indirectly through the National Agencies in the Member States or directly through the Education, Audio-visual and Culture Executive Agency (EACEA), where it is mandated. Implementing a preparatory action outside the existing scheme and the future European Solidarity Corps architecture would not be justified.

Therefore, although supporting the idea of encouraging the volunteering of young Europeans for development, the Commission considers that actions with a strong humanitarian-development focus under the EU Aid Volunteers scheme are already fully provided for and will continue to be provided for in the next MFF period.

I.4

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 17/09/2018

	Commitments
1 Appropriations in budget (Initial Budget + AB)	344 600 000,00
2 Transfers	-171 697 884,00
3 Total appropriations for the year (1+2)	172 902 116,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	172 902 116,00
6 Decrease proposed	47 800 000,00
7 Total appropriations up to year end (5-6)	125 102 116,00
8 Decrease as percentage of appropriations in budget (7/1)	13,87 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	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 17/09/2018	0,00
3 Implementation rate [(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 assistance

b) Figure at 17/09/2018

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 026 028 642,00	1 040 825 501,00
2 Transfers	174 294 634,00	232 500 000,00
3 Total appropriations for the year (1+2)	1 200 323 276,00	1 273 325 501,00
4 Appropriations already used	1 148 694 634,00	965 716 318,81
5 Appropriations available (3-4)	51 628 642,00	307 609 182,19
6 Increase requested	50 000 000,00	32 500 000,00
7 Total appropriations up to year end (5+6)	101 628 642,00	340 109 182,19
8 Increase as percentage of appropriation in budget (7/1)	4,87 %	3,12 %
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	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 17/09/2018	314,12	0,00
3 Implementation rate [(1-2)/1]	0,00 %	100,00 %

d) Detailed grounds for the transfer

A military operation of the Saudi-led coalition to recapture the city and the governorate of Hodeida began in June 2018. Given that over 80 percent of the food and other aid to Yemen goes through the port of Hodeida, this event has had a sudden and catastrophic impact on the humanitarian situation in the country. Civilians have been trapped in the fighting and markets, hospitals and schools have been bombed. As a result, the population is on the move (UN reports an estimated 50 000 Yemenis have been newly displaced since fighting broke out in June) and the functioning of the port has been badly affected, resulting in gaps, disruptions and increase of prices for basic commodities.

The UN Humanitarian Response Plan for Yemen for 2018 of USD 2,96 billion is currently funded at only 65%.

EUR 50 million in commitment appropriations is requested to address the newly emerging humanitarian needs triggered and intensified by the military operation in Hodeida, in addition to the EUR 77 million already programmed for this crisis in 2018.

The funds will support multi-sector and integrated interventions addressing all main aspects of the crisis: food, health, nutrition, water supply, sanitation, education and protection.

The EU response will be prioritized to locations where the lifesaving needs are most urgent:

- 1) areas of active conflict and populations trapped in conflict zones;
- 2) areas hosting large numbers of newly displaced people;
- 3) areas with high levels of malnutrition, food insecurity or risk of epidemic outbreak.

EUR 32,5 million in payment appropriations is also requested to cover the necessary pre-financing in 2018.

As of 10 September, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 23 02 was at 96%, while for payment appropriations it was at 75%. The remaining balance of EUR 42 million in the Operational Reserve needs to be preserved to cover urgent crises until the end of the year.

The Commission has considered and has been able to identify availabilities from other policy areas in Heading 4 in the amount of EUR 2,2 million in commitment and EUR 32,5 million in payment appropriations. The Commission therefore requests the mobilisation of the Emergency Aid Reserve for EUR 47,8 million in commitment appropriations.

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)
	Initial appropriations	344.600.000	61.705.366	344.600.000
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
DEC 12	Mobilisation of the EAR for additional humanitarian aid for Ethiopia	35.000.000		35.000.000
DEC 13	Mobilisation of the EAR for additional humanitarian aid for Democratic Republic of Congo	25.000.000		25.000.000
DEC 14	Mobilisation of the EAR for additional humanitarian aid for Sudan	10.000.000		10.000.000
DEC 15	Mobilisation of the EAR for additional humanitarian aid for Lake Chad Basin Countries: Chad, Cameroon and Nigeria	30.000.000		30.000.000
DEC 16	Mobilisation of the EAR for additional humanitarian aid for Afghanistan	20.000.000		20.000.000
DEC 25	Mobilisation of the EAR for additional humanitarian aid for Yemen	47.800.000		-
DEC 26	Mobilisation of the EAR for additional humanitarian aid for Sahel	50.000.000		-
DEC 27	Mobilisation of the EAR for additional humanitarian aid for Palestine	10.000.000		-
	Total of Proposals	279.497.884	61.705.366	225.021.500
	Remainder	65.102.116	0	119.578.500
	Total remainder of commitment appropriations	65.102.116		