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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 26/2018 within Section III - Commission - of the general budget for 2018

Delegations will find attached Commission document DEC 26/2018.

Encl.: DEC 26/2018



BRUSSELS, 21/09/2018

GENERAL BUDGET - 2018
SECTION III - COMMISSION TITLES: 01, 21, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 26/2018

FROM

CHAPTER - 0103 International economic and financial affairs

ARTICLE - 01 03 02 Macro-financial assistance Payments -30 860 225,00

CHAPTER - 2102 Development Cooperation Instrument (DCI)

ARTICLE - 21 02 09 Pan-African programme to support the Joint Africa-European Union Strategy Payments -1 639 775,00

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve Commitments -50 000 000,00

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

01 03 02 - Macro-financial assistance

b) Figure at 17/09/2018

	Payments
1 Appropriations in budget (Initial Budget + AB)	42 086 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	42 086 000,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	42 086 000,00
6 Decrease proposed	30 860 225,00
7 Total appropriations up to year end (5-6)	11 225 775,00
8 Decrease as percentage of appropriations in budget (7/1)	73,33 %
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

Part of the payment appropriations on the budget line were planned for a grant for Moldova. However, due to recent political developments in the country, the disbursement of the grant will be postponed to 2019. This means that EUR 31,9 million of payment appropriations can be made available, of which EUR 30,9 million are proposed to be used to reinforce the Humanitarian Aid and EUR 1 million is to be used in the Global Transfer.

Commitment appropriations for a total amount of EUR 31,5 million were transferred from this budget line to the Common Foreign and Security Policy (CFSP) for EUR 20 million (DEC 17/2018) and the Development Cooperation Instrument (DCI) for EUR 11,5 million (DEC 18/2018).

I.2

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 Decrease proposed	1 639 775,00
7 Total appropriations up to year end (5-6)	69 448 423,60
8 Decrease as percentage of appropriations in budget (7/1)	1,56 %
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 on 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 to happen 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.3

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	50 000 000,00
7 Total appropriations up to year end (5-6)	122 902 116,00
8 Decrease as percentage of appropriations in budget (7/1)	14,51 %
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)

	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 appropriations in budget (7/1)	4,87 %	3,12 %
9 Increase, 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	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

Since February 2018, the situation in the Sahel region has been deteriorating at a rapid pace as regards food and nutrition, as well as other needs resulting from conflicts and forced displacement of populations in Burkina Faso, Mali, Mauritania, Niger, Nigeria, Cameroon and Chad.

Several new crisis factors have contributed to this deterioration:

- The armed conflict in Mali and neighbouring countries intensified during the second quarter of 2018, expanding further in Central Mali, Northern Burkina Faso, Western Niger and entailing new forced displacement and further disruption of basic services. In total, 3,1 million people throughout the region have been displaced because of conflict and violence;
- Since April, inter-community tensions and related violence have erupted in several countries;
- Floods have affected Niger, Mali and Nigeria since mid-August, with needs assessments ongoing;
- A significant cholera epidemic has also been spreading in Niger, Nigeria and Chad over the past few months. At the same time, access to health centres is hampered by the conflict, widespread insecurity and violence;
- Staple food prices remained abnormally high until late in 2018. This is an unexpected aggravating factor limiting the access to food for the most vulnerable populations.

The above factors have led to a severe regional food and nutrition crisis with a very significant level of unforeseen and unmet emergency needs. As of June 2018, the food security analysis on the region highlighted a drastic increase of the population being in need of emergency food assistance. 12 million people are estimated to be in need of emergency food assistance during the lean season, which started as early as February in pastoral areas and May in agricultural areas. 4,2 million children suffering from Severe Acute Malnutrition (SAM) are in need of live-saving nutrition.

The overall situation and perspectives for the Sahel are further aggravated by this year's rainy season, which started late in the entire Sahel belt and has been alternating long dry periods with heavy rains, thus limiting the prospects for the next harvest.

As of 23 August 2018, the United Nations Humanitarian Response Plans are largely underfunded: Burkina Faso 43,7%, Chad 32%, Mali 31,2%, Mauritania 43,4%, Niger 39,6%, Cameroon 24,7% and Nigeria 48,6%.

EUR 50 million in commitment appropriations is therefore requested in addition to the EUR 185,45 million already programmed for this crisis in 2018. 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 32,5 million in payment appropriations. The Commission therefore requests the mobilisation of the Emergency Aid Reserve for EUR 50 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		