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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	29 October 2018
To:	Mr Hartwig LÖGER, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 29/2018 within Section III - Commission - of the general budget for 2018

Delegations will find attached Commission document DEC 29/2018.

Encl.: DEC 29/2018

I. DECREASE

I.1

a) Heading

21 02 01 - Cooperation with Latin America

b) Figure at 18/10/2018

	Commitments
1 Appropriations in budget (Initial Budget + AB)	348 496 260,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	348 496 260,00
4 Appropriations already used	132 131 438,00
5 Appropriations available (3-4)	216 364 822,00
6 Decrease proposed	7 000 000,00
7 Total appropriations up to year end (5-6)	209 364 822,00
8 Decrease as percentage of appropriations in budget (6/1)	2,01 %
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	810 609,78
2 Appropriations available on 18/10/2018	1 727 376,85
3 Implementation rate [(1-2)/1]	-113,10 %

d) Detailed grounds for the transfer

In her speech on the Venezuela crisis on 26 September at the United Nations General Assembly (UNGA), the High Representative/Vice-President Mogherini confirmed the EU engagement with Venezuela through the Plan Compact, and indicated that all Compact funds are planned to be implemented by the beginning of next year.

In the Plan Compact for Venezuela of June 2018, the Commission foresaw a total contribution from the EU budget of EUR 35,1 million coming from the Development Cooperation Instrument (DCI), the Humanitarian Aid and the Instrument contributing to Stability and Peace (IcSP).

In the framework of the Compact, humanitarian aid intervention is considered the best option to deliver assistance inside Venezuela, and to refugees and host communities in neighbouring countries. The Commission therefore proposes to increase the proportion of humanitarian assistance by transferring EUR 7,0 million from the DCI line 21 02 01 - Cooperation with Latin America to the Humanitarian Aid.

I.2

a) Heading

23 03 02 02 - Rapid and efficient emergency response interventions in the event of major disasters in third countries

b) Figure at 18/10/2018

	Commitments
1 Appropriations in budget (Initial Budget + AB)	10 392 000,00
2 Transfers	-3 000 000,00
3 Total appropriations for the year (1+2)	7 392 000,00
4 Appropriations already used	3 050 000,00
5 Appropriations available (3-4)	4 342 000,00
6 Decrease proposed	4 000 000,00
7 Total appropriations up to year end (5-6)	342 000,00
8 Decrease as percentage of appropriation in budget (6/1)	38,49 %
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	296 444,91
2 Appropriations available on 18/10/2018	196 444,91
3 Implementation rate [(1-2)/1]	33,73 %

d) Detailed grounds for the transfer

The number of activations of the Union Civil Protection Mechanism during the year is unpredictable by nature, since it wholly depends on the emergencies that will occur and the number of transports interventions that are requested.

For the year 2018 so far there has been a lower than average level of activity, despite the activation to assist the impact of the earthquake in Indonesia. Therefore, EUR 4,0 million in commitment appropriations can be made available.

I.3

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 18/10/2018

	Commitments
1 Appropriations in budget (Initial Budget + AB)	344 600 000,00
2 Transfers	-279 497 884,00
3 Total appropriations for the year (1+2)	65 102 116,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	65 102 116,00
6 Decrease proposed	16 000 000,00
7 Total appropriations up to year end (5-6)	49 102 116,00
8 Decrease as percentage of appropriation in budget (6/1)	4,64 %
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 18/10/2018	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 18/10/2018

	Commitments
1 Appropriations in budget (Initial Budget + AB)	1 026 028 642,00
2 Transfers	284 294 634,00
3 Total appropriations for the year (1+2)	1 310 323 276,00
4 Appropriations already used	1 162 694 634,00
5 Appropriations available (3-4)	147 628 642,00
6 Increase requested	27 000 000,00
7 Total appropriations up to year end (5+6)	174 628 642,00
8 Increase as percentage of appropriation in budget (6/1)	2,63 %
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

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 18/10/2018	314,12
3 Implementation rate $[(1-2)/1]$	0,00 %

d) Detailed grounds for the transfer

Malnutrition and food insecurity within Venezuela have reached emergency levels, and social services and infrastructure are close to a collapse. The International Monetary Fund (IMF) warns that inflation could reach one million per cent by the end of 2018 and there is a huge shortage of medicines. The treatment of more than 3 million patients with chronic diseases is affected and the number of malaria cases could reach 2 million in 2018. Around 3 million children are out of school due to lack of food, water, clothes and transport.

In order to respond to the significant and urgent needs, the Commission issued in June 2018 a Plan Compact for Venezuela, setting out a total contribution from the EU budget of EUR 35,1 million from the Development Cooperation Instrument (DCI), Humanitarian Aid and the Instrument contributing to Stability and Peace (IcSP). EUR 5,0 million were at that time allocated to Venezuela from the Humanitarian Aid Operational Reserve as part of the Compact, with further EUR 5,0 million coming from the IcSP and EUR 25,1 million from DCI.

Given the rapidly deteriorating nature of the crisis, humanitarian aid is now considered the best option to deliver assistance inside Venezuela and to refugees and host communities in neighbouring countries. The Commission therefore proposes to increase the proportion of humanitarian assistance by transferring **EUR 7,0 million** from the DCI line 21 02 01 - Cooperation with Latin America to Humanitarian Aid (out of the EUR 25,1 million from the DCI contribution to the Compact).

Since the announcement of the Compact, the living conditions of the population, already very harsh, deteriorated further as a result of the new package of economic measures introduced by the Venezuelan Government in August 2018. This has triggered an unprecedented migratory flow to the neighbouring countries. Between 2,5 million (official estimates) and 4 million (unofficial estimates) Venezuelans have sought refuge in neighbouring countries (Colombia, Ecuador, Peru, Brazil, Chile, Caribbean, Central America).

Given this sharp increase in needs, the Commission estimates that an additional **EUR 20,0 million** in commitment appropriations is needed to scale up the EU's humanitarian response. The additional assistance will allow the EU to respond to the most pressing needs in the sectors of health and nutrition, food assistance, water and sanitation and protection inside the country, where the Commission has privileged access through its partner organisations. It will also potentially reinforce the so far limited support provided to Venezuelans fleeing to other countries.

As of 10 October, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 23 02 was at 97%, while for payment appropriations it was at 82%. The remaining balance of EUR 22,0 million in the Operational Reserve needs to be preserved to cover urgent crises until the end of the year.

The Commission therefore proposes to cover the additional need of EUR 20,0 million by availabilities from the Civil Protection Mechanism (EUR 4,0 million) and the mobilisation of the Emergency Aid Reserve (EUR 16,0 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		-
DEC 29	Mobilisation of the EAR for additional humanitarian aid for Venezuela	16.000.000		
DEC 31	Mobilisation of the EAR for additional humanitarian aid for Uganda	15.000.000		
	Total of Proposals	310.497.884	61.705.366	225.021.500
	Remainder	34.102.116	0	119.578.500
	Total remainder of commitment appropriations	34.102.116		