



Council of the
European Union

056305/EU XXVI. GP
Eingelangt am 04/03/19

**Brussels, 4 March 2019
(OR. en)**

**6855/1/19
REV 1**

FIN 175

COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	25 February 2019
To:	Mr Eugen Orlando TEODOROVICI, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 03/2019 within Section III - Commission - of the general budget for 2019
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Delegations will find attached document Commission document DEC 03/2019.

Encl.: DEC 03/2019



BRUSSELS, 25/02/2019

GENERAL BUDGET - 2019
SECTION III - COMMISSION TITLES: 22, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 03/2019

FROM

CHAPTER - 2202 Enlargement process and strategy

ITEM - 22 02 03 02 Support for economic, social and territorial development and related progressive alignment with the Union acquis

Payments -40 000 000,00

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 40 000 000,00

I. DECREASE

I.1

a) Heading

22 02 03 02 - Support for economic, social and territorial development and related progressive alignment with the Union acquis

b) Figures at 20/02/2019

	Payments
1 Appropriations in budget (Initial Budget + AB)	678 080 653,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	678 080 653,00
4 Appropriations already used	6 829 719,53
5 Appropriations available (3-4)	671 250 933,47
6 Decrease proposed	40 000 000,00
7 Total appropriations up to year end (5-6)	631 250 933,47
8 Decrease as percentage of appropriations in budget (6/1)	5,90 %
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 20/02/2019	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

Due to delays in the process for a continuation of the direct grant in the field of healthcare, the related payments will be postponed to 2020. Therefore, the initial payment forecast made in spring 2018 for the draft budget 2019 has been revised and EUR 128,0 million of payment appropriations can be made available.

I.2

a) Heading

40 02 42 - Emergency aid reserve

b) Figures at 20/02/2019

	Commitments
1 Appropriations in budget (Initial Budget + AB)	351 500 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	351 500 000,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	351 500 000,00
6 Decrease proposed	50 000 000,00
7 Total appropriations up to year end (5-6)	301 500 000,00
8 Decrease as percentage of appropriations in budget (6/1)	14,22 %
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 20/02/2019	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

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) Figures at 20/02/2019

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 592 271 335,00	1 540 690 000,00
2 Transfers	0,00	-141 475,00
3 Total appropriations for the year (1+2)	1 592 271 335,00	1 540 548 525,00
4 Appropriations already used	1 211 530 000,00	61 139 462,10
5 Appropriations available (3-4)	380 741 335,00	1 479 409 062,90
6 Increase requested	50 000 000,00	40 000 000,00
7 Total appropriations up to year end (5+6)	430 741 335,00	1 519 409 062,90
8 Increase as percentage of appropriations in budget (6/1)	3,14 %	2,60 %
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	93 908,14	3 617 155,06
2 Appropriations available on 20/02/2019	28 001,14	294 094,98
3 Implementation rate [(1-2)/1]	70,18 %	91,87 %

d) Detailed grounds for the increase

In Venezuela, the situation has entered into a more acute phase since 23 January 2019, following the self-proclamation of Juan Guaido, the President of the National Assembly, as Interim President pending new elections. The newly imposed US sanctions affect the national oil company, the main source of income for public finance. As a result, the government's capacity to provide subsidised food, minimal health services and basic services (including water and electricity) has further diminished, thus affecting in particular the very poor. According to latest figures, more than 90% of the population does not have sufficient income to buy food.

3,4 million people have officially left Venezuela and are registered in the neighbouring Colombia, Peru, Ecuador, Brazil and other Latin-American and Caribbean countries, as well as in the US and Europe. Unofficial figures suggest that the real number could be well above 4 million. Currently, only the EU is in a position to deliver unhindered humanitarian assistance inside Venezuela thanks to its network of partners on the ground and its acceptance by both parties.

In line with the EU commitment to step up its assistance, as reiterated by the High Representative/Vice-President Mogherini in the context of the International Contact Group's first meeting in Montevideo, an additional amount of EUR 50,0 million in commitment and EUR 40,0 million in payment appropriations is requested, in addition to the EUR 5,0 million already programmed for 2018. The assistance will be provided to the most affected populations inside Venezuela and in neighbouring countries.

As of 15 February, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 23 02 was at 93,3% of available appropriations, whereas the implementation in payment appropriations was at 4,9%.

The Operational Reserve for Humanitarian aid is expected to be used during the first semester of the year to cater for other humanitarian crises or sudden onset disasters.

The Commission has identified and proposes the redeployment of EUR 40,0 million in payment appropriations from the Instrument for Pre-accession (IPA). The Commission therefore requests the mobilisation of the Emergency Aid Reserve for EUR 50,0 million in commitment appropriations.

ANNEX

COMMISSION TRANSFER PROPOSALS RELATED TO THE EMERGENCY AID RESERVE IN 2019

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2019 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 Reserve carried-over (EUR)	Commitment Appropriations from 2019 Reserve (EUR)	Payment Appropriations from 2019 Reserve (EUR)
	Initial appropriations	34.102.116	351.500.000	351.500.000
DEC 02	Mobilisation of the EAR for additional humanitarian aid for Yemen	34.102.116	45.897.884	
DEC 03	Mobilisation of the EAR for additional humanitarian aid for Venezuela		50.000.000	
DEC 04	Mobilisation of the EAR for additional humanitarian aid for South Sudan		30.000.000	
	Total of Proposals	34.102.116	125.897.884	0
	Remainder	0	225.602.116	351.500.000
	Total remainder of commitment appropriations	225.602.116		