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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	1 June 2022
To:	Mr Bruno LE MAIRE, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 14/2022 within Section III - Commission - of the general budget for 2022

Delegations will find attached Commission document DEC 14/2022.

Encl.: DEC 14/2022



BRUSSELS, 01/06/2022

GENERAL BUDGET - 2022
SECTION III - COMMISSION TITLES: 14, 30

TRANSFER OF APPROPRIATIONS N° DEC 14/2022

FROM

CHAPTER - 1402 Neighbourhood, Development and International Cooperation
Instrument -- Global Europe (NDICI -- Global Europe)

ITEM - 14 02 01 11 Eastern neighbourhood	Commitments	-100 000 000,00
	Payments	-39 000 000,00

CHAPTER - 3004 Solidarity mechanisms (special instruments)

ARTICLE - 30 04 01 Solidarity and emergency aid reserve (SEAR)	Commitments	-105 000 000,00
	Payments	-105 000 000,00

TO

CHAPTER - 1403 Humanitarian Aid

ARTICLE - 14 03 01 Humanitarian aid	Commitments	205 000 000,00
	Payments	144 000 000,00

Following Russia's invasion of Ukraine on 24 February 2022, the humanitarian situation in Ukraine has reached a level of gravity never seen in Europe since the Second World War. Additional funding is requested urgently to alleviate the massive humanitarian needs.

The conflict has caused the world's fastest growing displacement crisis, uprooting more than 14 million people. More than 8 million are internally displaced while more than 6 million have crossed into neighbouring countries and beyond. The massive devastation of urban centres and the destruction of civilian infrastructure have severely disrupted healthcare and other critical services. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) estimated on 1 March 2022 that 12 million people were in need of humanitarian assistance in Ukraine; on 25 April, this number was revised to 15,7 million in Ukraine. As of 18 May, the UN Refugee Agency (UNHCR) estimates 6,3 million refugees in neighbouring countries. This rapid increase of needs is expected to be sustained in the coming months. Consequently, the amount of required funding has doubled to USD 2,25 billion to cover the period March-August. It is clear that emergency humanitarian response will continue to be needed at a very large scale.

EUR 205 million in commitment and **EUR 144 million** in payment appropriations is needed to support millions of people with food and non-food items, cash assistance, water and sanitation, health, protection, including child protection, gender-based violence and sexual and reproductive health, as well as education in emergencies. The Commission will continue implementing a two-pronged operational approach with provision of life-saving emergency assistance to conflict-affected people stranded in the heavily/besieged cities or in hard-to-reach areas, but also to the heavy influx of displaced people. Through flexible contracting with its partners, and depending on the evolution of the situation, the Commission's humanitarian assistance strategy will focus on besieged cities and hard to reach areas and on eastern Ukraine, so as to let the EU's more structural support cover reconstruction and early recovery in other regions.

The Commission will keep the evolution of the needs for humanitarian support under close review, and it may propose further measures in the course of this year.

I. DECREASE

I.1

a) Heading

14 02 01 11 - Eastern neighbourhood

b) Figures at 18/05/2022

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	709 703 445,00	148 288 322,00
2 Transfers	73 660 000,00	36 000 000,00
3 Total appropriations for the year (1+2)	783 363 445,00	184 288 322,00
4 Appropriations already used	511 690 000,00	127 031 712,00
5 Appropriations available (3-4)	271 673 445,00	57 256 610,00
6 Decrease proposed	100 000 000,00	39 000 000,00
7 Total appropriations up to year end (5-6)	171 673 445,00	18 256 610,00
8 Decrease as percentage of appropriations in budget (6/1)	14,09 %	26,30 %
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 18/05/2022	0,00	0,00
3 Implementation rate [(1-2)/1]	n/a	n/a

d) Detailed grounds for the decrease

The Commission proposes to mobilise the Emerging challenges and priorities cushion of the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) for an amount of EUR 501 million in commitment and EUR 440 million payment appropriations to be transferred to the Neighbourhood East budget line to provide additional support to Ukraine, notably to facilitate the Ukrainian government's provision of basic services to internally displaced persons, as announced at the 9 April and 5 May pledging conferences.

However, given the magnitude of humanitarian needs arising from the crisis in Ukraine, it is proposed to transfer EUR 100 million in commitment appropriations and EUR 39 million in payment appropriations from this budget line of the NDICI-GE to the Humanitarian aid instrument.

I.2

a) Heading

30 04 01 - Solidarity and emergency aid reserve (SEAR)

b) Figures at 18/05/2022

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 248 919 000,00	1 248 919 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	1 248 919 000,00	1 248 919 000,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	1 248 919 000,00	1 248 919 000,00
6 Decrease proposed	105 000 000,00	105 000 000,00
7 Total appropriations up to year end (5-6)	1 143 919 000,00	1 143 919 000,00
8 Decrease as percentage of appropriations in budget (6/1)	8,41 %	8,41 %
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 18/05/2022	0,00	0,00
3 Implementation rate [(1-2)/1]	n/a	n/a

d) Detailed grounds for the decrease

According to article 9 of the Multiannual Financial Framework Regulation, the Solidarity and Emergency Aid Reserve (SEAR) is intended to allow for

- (a) assistance to respond to emergency situations resulting from major disasters that are covered by the European Union Solidarity Fund, the objectives and scope of which are set out in Council Regulation (EC) No 2012/2002; and
- (b) rapid responses to specific emergency needs within the Union or in third countries following events which could not be foreseen when the budget was established, in particular for emergency responses and support operations following natural disasters not covered by point (a), man-made disasters, humanitarian crises in cases of large-scale public health, veterinary or phytosanitary threats, as well as in situations of particular pressure at the Union's external borders resulting from migratory flows, where circumstances so require.

II. INCREASE

II.1

a) Heading

14 03 01 - Humanitarian aid

b) Figures at 18/05/2022

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 717 901 913,00	2 008 851 440,00
2 Transfers	34 806 559,56	24 806 559,56
3 Total appropriations for the year (1+2)	1 752 708 472,56	2 033 657 999,56
4 Appropriations already used	1 657 941 913,00	674 731 496,83
5 Appropriations available (3-4)	94 766 559,56	1 358 926 502,73
6 Increase requested	205 000 000,00	144 000 000,00
7 Total appropriations up to year end (5+6)	299 766 559,56	1 502 926 502,73
8 Increase as percentage of appropriations in budget (6/1)	11,93 %	7,17 %
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	1 906 535,33	79 890,92
2 Appropriations available on 18/05/2022	1 896 535,33	0,00
3 Implementation rate $[(1-2)/1]$	0,52 %	100,00 %

d) Detailed grounds for the increase

EUR 205 million in commitment and EUR 144 million in payment appropriations are needed to support millions of people with food and non-food items, cash assistance, water and sanitation, health, protection, including child protection, gender-based violence and sexual and reproductive health, as well as education in emergencies. The Commission will continue implementing a two-pronged operational approach with provision of life-saving emergency assistance to conflict-affected people stranded in the heavily/besieged cities or in hard-to-reach areas, but also to the heavy influx of displaced people. Through flexible contracting with its partners, and depending on the evolution of the situation, the Commission's humanitarian assistance strategy will focus on besieged cities and hard to reach areas and on eastern Ukraine, so as to let the EU's more structural support cover reconstruction and early recovery in other regions.

As of Mid-May 2022, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 14 03 was at 94% of available appropriations and the implementation in payment appropriations was at 30%. EUR 130 million have already been contracted under the humanitarian aid instrument by 12 May 2022 for Ukraine.

ANNEX

COMMISSION TRANSFER PROPOSALS RELATED TO THE SOLIDARITY AND EMERGENCY AID RESERVE IN 2022

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2022, which relate to the Solidarity and Emergency Aid Reserve (SEAR), and the remaining amount under the SEAR reserve following the approval of these proposals.

Commitment Appropriations 2022 Reserve (EUR)

Transfer Ref	Content	TOTAL	carried over	voted budget	Internal <i>(excluding EUSF)</i>	EUSF	External*	End-of-Year Cushion (25%)
	General Budget 2022 - Initial appropriations	1.339.695.273	40.776.273	1.298.919.000	152.244.828	507.482.761	355.237.934	324.729.750
	General Budget 2022 - EUSF advances <i>(Article 4a EUSF Regulation)</i>	-50.000.000		-50.000.000		-50.000.000		
DEC 09	Mobilisation of the SEAR for humanitarian aid for the crisis in Ukraine and neighbouring countries	38.933.440	38.933.440				38.933.440	
DEC 11	Mobilisation of the SEAR for financing reception costs of Ukrainian refugees	52.231.479	1.842.833	50.388.646	52.231.479			
DEC 14	Mobilisation of the SEAR for humanitarian aid for the crisis in Ukraine	105.000.000		105.000.000			105.000.000	
	Total DEC transfer proposals	196.164.919	40.776.273	155.388.646	52.231.479	0	143.933.440	0
	Remainder	1.093.530.354	0	1.093.530.354	100.013.349	457.482.761	211.304.494	324.729.750

* of which EUR 211 million earmarked for natural disasters