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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	11 March 2020
To:	Mr Zdravko MARIĆ, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 03/2020 within Section III - Commission - of the general budget for 2020

Delegations will find attached Commission document DEC 03/2020.

Encl.: DEC 03/2020



BRUSSELS, 11/03/2020

GENERAL BUDGET - 2020
SECTION III - COMMISSION TITLES: 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 03/2020

FROM

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve (Approp carried over to commit up to 31/12)	Commitments	-15 602 116,00
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ARTICLE - 40 02 42 Emergency aid reserve	Commitments	-74 397 884,00
	Payments	-90 000 000,00

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	74 397 884,00
	Payments	90 000 000,00

ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food assistance (Approp carried over to commit up to 31/12)	Commitments	15 602 116,00
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INTRODUCTION

In addition to the threats posed by COVID-19, other humanitarian crisis are currently deteriorating, notably in Venezuela and East Africa. An urgent response is needed to prevent more dramatic consequences.

Venezuela – EUR 50 million

In Venezuela, the political crisis has entered an acute phase since January 2020. With no political solution in sight, the socio-economic crisis has reached a new peak, affecting the population's ability to satisfy the most basic needs (undernourishment, no access to water, collapse of waste disposal systems, unaffordable access to hygiene items, discontinuation of regular vaccination programmes, children no longer attending school). Altogether, some 10 million people need humanitarian assistance inside the country.

The fallout of the crisis within the region has also multiplied. In February 2020, the number of people who have left Venezuela - heading towards Colombia, Peru, Ecuador, Brazil and other countries - reached 5 million, with a further increase expected by end 2020, according to the United Nations High Commission for Refugees (UNHCR) and International Organisation for Migration (IOM). Unofficial figures suggest that the numbers could already be well above 6 million.

EUR 50 million in commitment and payment appropriations is requested in addition to the EUR 14 million already programmed for this crisis for 2020. The additional funding will be used to provide urgent assistance in the key sectors where the most acute needs have been identified, notably health, protection, nutrition, education in emergencies, water and sanitation, psychosocial support. In a context of competing priorities for international funding and of a sensitive domestic political situation, only the EU is currently 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 involved in the political crisis.

Locust in East Africa – EUR 40 million

In Eastern Africa, a number of countries are facing an unprecedented desert locust infestation. This needs to be rapidly contained to avoid a major humanitarian catastrophe due to a massive deterioration in the already widespread severe food insecurity and malnutrition in the entire region. Somalia, Kenya and Ethiopia are the most affected countries. This is the worst crisis for Kenya in 70 years, and the worst crisis for Somalia and Ethiopia in 25 years. On 2 February 2020, Somalia, where control operations are more difficult, declared a national emergency. Six other countries, some of which contribute to food security in the region, are also affected, namely: Uganda, Tanzania, Sudan, Djibouti, Eritrea, and most recently South Sudan. 13,5 million severely food-insecure people live in areas currently infested, and this number is expected to increase due to the arrival of new swarms during the planting season in March and April.

EUR 40 million in commitment and payment appropriations is requested in addition to the EUR 5 million already programmed for this area for 2020. Funding will finance immediate food pre-positioning and food assistance, as well as livelihood support, seeds (for farmers) and fodder distribution (to protect livestock). Further support will go to the procurement of nutrition supplies, health and nutrition centres.

As of the beginning of March 2020, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 23 02 was at 94,5% of available appropriations and the implementation in payment appropriations was at 14,4%. The Operational Reserve for Humanitarian aid currently stands at EUR 55 million and needs to be preserved to cater for other, smaller humanitarian emergencies or sudden disasters between now and year end.

The Commission has not been able to identify other available resources in Heading 4. Therefore, it requests the mobilisation of the Emergency Aid Reserve for a total of EUR 90 million in commitment and payment appropriations for the crises in Venezuela and East Africa.

I. DECREASE

I.1

a) Heading

40 02 42 - Emergency aid reserve (Approp carried over to commit upto 31/12)

b) Figures at 06/03/2020

	Commitments
1 Appropriations in budget (Approp carried over to commit upto 31/12)	45 602 116,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	45 602 116,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	45 602 116,00
6 Decrease proposed	15 602 116,00
7 Total appropriations up to year end (5-6)	30 000 000,00
8 Decrease as percentage of appropriations in budget (6/1)	34,21 %
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 06/03/2020	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.

I.2

a) Heading

40 02 42 - Emergency aid reserve

b) Figures at 06/03/2020

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	358 500 000,00	358 500 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	358 500 000,00	358 500 000,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	358 500 000,00	358 500 000,00
6 Decrease proposed	74 397 884,00	90 000 000,00
7 Total appropriations up to year end (5-6)	284 102 116,00	268 500 000,00
8 Decrease as percentage of appropriations in budget (6/1)	20,75 %	25,10 %
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 06/03/2020	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, 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 06/03/2020

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 042 234 779,00	1 144 000 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	1 042 234 779,00	1 144 000 000,00
4 Appropriations already used	983 234 500,00	171 459 390,93
5 Appropriations available (3-4)	59 000 279,00	972 540 609,07
6 Increase requested	74 397 884,00	90 000 000,00
7 Total appropriations up to year end (5+6)	133 398 163,00	1 062 540 609,07
8 Increase as percentage of appropriations in budget (6/1)	7,14 %	7,87 %
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	1 024 638,59	643 655,90
2 Appropriations available on 06/03/2020	1 024 638,59	0,00
3 Implementation rate [(1-2)/1]	0,00 %	100,00 %

d) Detailed grounds for the increase

As detailed in the introduction, the Commission proposes the mobilisation of the Emergency Aid Reserve for a total of EUR 90 million in commitment and payment appropriations for the crises in Venezuela (EUR 50 million) and East Africa (EUR 40 million). As regards commitment appropriations, EUR 15,6 million are covered by the remaining appropriations carried over from 2019, and EUR 74,4 million by the 2020 reserve.

II.2

a) Heading

23 02 01 - Delivery of rapid, effective and needs-based humanitarian aid and food assistance (Approp carried over to commit upto 31/12)

b) Figures at 06/03/2020

	Commitments
1 Appropriations in budget (Approp carried over to commit upto 31/12)	0,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	0,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	0,00
6 Increase requested	15 602 116,00
7 Total appropriations up to year end (5+6)	15 602 116,00
8 Increase as percentage of appropriations in budget (6/1)	n/a
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	1 024 638,59
2 Appropriations available on 06/03/2020	1 024 638,59
3 Implementation rate [(1-2)/1]	0,00 %

d) Detailed grounds for the increase

As detailed in the introduction, the Commission proposes the mobilisation of the Emergency Aid Reserve for a total of EUR 90 million in commitment and payment appropriations for the crises in Venezuela (EUR 50 million) and East Africa (EUR 40 million). As regards commitment appropriations, EUR 15,6 million are covered by the remaining appropriations carried over from 2019, and EUR 74,4 million by the 2020 reserve.

ANNEX

COMMISSION TRANSFER PROPOSALS RELATED TO THE EMERGENCY AID RESERVE IN 2020

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2020, 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 carried-over Reserve (EUR)	Commitment Appropriations 2020 Reserve (EUR)	Payment Appropriations 2020 Reserve (EUR)
	Initial appropriations	45 602 116	358 500 000	358 500 000
DEC 02	Mobilisation of the EAR for COVID-19 outbreak crisis	30 000 000	0	24 000 000
DEC 03	Mobilisation of the EAR for Venezuela and East Africa	15 602 116	74 397 884	90 000 000
	Total transfer proposals	0	74 397 884	114 000 000
	Remainder	0	284 102 116	244 500 000
	Total remainder of commitment appropriations	284 102 116		