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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	4 October 2023
To:	Ms Esperanza SAMBLAS, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 16/2023 within Section III - Commission - of the general budget for 2023
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Delegations will find attached Commission document DEC 16/2023.

Encl.: DEC 16/2023



BRUSSELS, 04/10/2023

GENERAL BUDGET - 2023

SECTION III - COMMISSION TITLES: 06, 14, 16, 30

TRANSFER OF APPROPRIATIONS N° DEC 16/2023

FROM

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

ITEM - 14 02 02 10 Election observation missions -- Human Rights and Democracy	Commitments	-6 187 796,00
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CHAPTER - 1420 Pilot projects, preparatory actions, prerogatives and other actions

ITEM - 14 20 03 01 Macro-financial assistance (MFA) grants	Commitments	-11 137 249,00
	Payments	-6 831 390,00

CHAPTER - 3004 Solidarity mechanisms (special instruments)

ARTICLE - 30 04 01 Solidarity and emergency aid reserve (SEAR)	Commitments	-394 275 162,00
	Payments	-394 275 162,00

TO

CHAPTER - 0605 Union Civil Protection Mechanism

ARTICLE - 06 05 01 Union Civil Protection Mechanism	Commitments	10 000 000,00
	Payments	10 000 000,00

CHAPTER - 1403 Humanitarian Aid

ARTICLE - 14 03 01 Humanitarian aid	Commitments	248 893 167,00
	Payments	238 399 512,00

CHAPTER - 1602 Mobilisation of solidarity mechanisms (Special instruments)

ITEM - 16 02 01 01 Assistance to Member States in relation to events eligible under the European Union Solidarity Fund (EUSF)	Commitments	152 707 040,00
	Payments	152 707 040,00

I. DECREASE

I.1

a) Heading

14 02 02 10 - Election observation missions -- Human Rights and Democracy

b) Figures at 29/09/2023

	Commitments
1 Appropriations in budget (Initial Budget + AB)	49 512 057,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	49 512 057,00
4 Appropriations already used	43 305 957,00
5 Appropriations available (3-4)	6 206 100,00
6 Decrease proposed	6 187 796,00
7 Total appropriations up to year end (5-6)	18 304,00
8 Decrease as percentage of appropriations in budget (6/1)	12,50 %
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	321,03
2 Appropriations available on 29/09/2023	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the decrease

Due to changes in electoral calendars and plans, several Election Observation Missions (EOM), Election Expert Missions (EEM) and Election Follow-up Expert Missions (EFEM) originally included under the 2023 priority list did not take place or were postponed. Therefore, an amount of EUR 6,2 million in commitment appropriations can be made available. The missions that did not take place or were postponed are:

- The EOMs in Palestine and Libya, which were on the priority list but will not take place;
- The EOM in Bangladesh, which will not be deployed based on the recommendation of the Exploratory Mission;
- The EEM in Bhutan and the EFEM in Iraq, which are postponed to 2024;
- The EEM in Thailand, which was cancelled, because of the lack of government invitation.

I.2

a) Heading

14 20 03 01 - Macro-financial assistance (MFA) grants

b) Figures at 29/09/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	56 710 579,00	39 880 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	56 710 579,00	39 880 000,00
4 Appropriations already used	45 423 330,00	10 114 460,00
5 Appropriations available (3-4)	11 287 249,00	29 765 540,00
6 Decrease proposed	11 137 249,00	6 831 390,00
7 Total appropriations up to year end (5-6)	150 000,00	22 934 150,00
8 Decrease as percentage of appropriations in budget (6/1)	19,64 %	17,13 %
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 29/09/2023	0,00	0,00
3 Implementation rate [(1-2)/1]	n/a	n/a

d) Detailed grounds for the decrease

Following the commitment for the MFA grant to Moldova and for the ex-post evaluation for Georgia, Moldova, and Ukraine, an amount of EUR 11,1 million in commitment appropriations will remain available on the line. Given that no additional MFA operation is planned in 2023, this amount can be made available.

The payments of the MFA grant to Moldova (EUR 32,5 million) as well as of operational assessments and ex-post evaluation are expected to amount to a total of EUR 33 million in 2023. Therefore, the remaining amount of EUR 6,8 million in payment appropriations can be made available.

I.3

a) Heading

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

b) Figures at 29/09/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 274 897 000,00	1 274 897 000,00
2 Transfers	-880 621 838,00	-880 621 838,00
3 Total appropriations for the year (1+2)	394 275 162,00	394 275 162,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	394 275 162,00	394 275 162,00
6 Decrease proposed	394 275 162,00	394 275 162,00
7 Total appropriations up to year end (5-6)	0,00	0,00
8 Decrease as percentage of appropriations in budget (6/1)	30,93 %	30,93 %
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 29/09/2023	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.

The remaining amount for the SEAR for 2023 is proposed to be used to cover additional needs for the Union Civil Protection Mechanism, the EU Solidarity Fund and humanitarian aid, as set out below.

II. INCREASE

II.1

a) Heading

06 05 01 - Union Civil Protection Mechanism

b) Figures at 29/09/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	188 005 975,00	275 000 000,00
2 Transfers	55 000 000,00	49 040 555,00
3 Total appropriations for the year (1+2)	243 005 975,00	324 040 555,00
4 Appropriations already used	161 251 367,21	39 669 843,83
5 Appropriations available (3-4)	81 754 607,79	284 370 711,17
6 Increase requested	10 000 000,00	10 000 000,00
7 Total appropriations up to year end (5+6)	91 754 607,79	294 370 711,17
8 Increase as percentage of appropriations in budget (6/1)	5,32 %	3,64 %
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	1 463 567,23	1 463 567,23
2 Appropriations available on 29/09/2023	1 353 567,23	0,00
3 Implementation rate $[(1-2)/1]$	7,52 %	100,00 %

d) Detailed grounds for the increase

The reinforcement of EUR 55 million approved in May (DEC 9/2023) has been fully used to cover response operations related to the earthquake in Türkiye and Syria, evacuations for Sudan and wildfires (to date, a total of EUR 61,8 million was spent on these emergencies).

Other major operations this year included the evacuations of EU citizens from Niger, the response to floods in Slovenia, Italy and Libya, and the continuation of response operations in Ukraine. Moreover, the Mechanism also responded to other medium and small-scale emergencies.

A reinforcement of EUR 10 million is necessary to ensure the EU's capacity to react to unforeseen events that might unfold still in 2023. This period includes for instance the cyclones, typhoons and hurricanes season, which mostly strike towards the end of the year. Furthermore, the wildfire season is not over, and major response operations may still happen in the coming months. Given the extremely dry and hot conditions this year, the risk is likely to persist beyond September.

The UCPM is also responding to fires in the southern hemispheres (South America) or hotter areas (Northern Africa and the Middle East) and additional requests for assistance are likely to take place until the end of the year. Finally, a wide range of other emergencies (for instance those requiring evacuation of European citizens) are not seasonal and can happen at any moment in time.

II.2

a) Heading

14 03 01 - Humanitarian aid

b) Figures at 29/09/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 687 002 967,00	1 747 484 500,00
2 Transfers	351 285 463,00	351 285 463,00
3 Total appropriations for the year (1+2)	2 038 288 430,00	2 098 769 963,00
4 Appropriations already used	2 037 138 430,00	1 861 708 918,81
5 Appropriations available (3-4)	1 150 000,00	237 061 044,19
6 Increase requested	248 893 167,00	238 399 512,00
7 Total appropriations up to year end (5+6)	250 043 167,00	475 460 556,19
8 Increase as percentage of appropriations in budget (6/1)	14,75 %	13,64 %
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	1 738 235,22	18 411,83
2 Appropriations available on 29/09/2023	0,00	0,00
3 Implementation rate [(1-2)/1]	100,00 %	100,00 %

d) Detailed grounds for the increase

The present transfer proposes to reinforce the Humanitarian Aid by EUR 248,9 million in commitment and EUR 238,4 million in payment appropriations to:

- help reinforcing existing humanitarian assistance in Afghanistan and in the region (EUR 50 million)
- alleviate the suffering of the war affected people in Ukraine and Moldova ahead of the winter (EUR 110 million);
- address the consequences of the deteriorating humanitarian and security situation in Sudan and neighbouring countries (EUR 67,7 million);
- support the response to the consequences of the food and water crises in Syria and Lebanon (EUR 15 million)
- cover the necessary assistance to the population from Armenia/Nagorno-Karabakh (EUR 6,2 million).

As of 26 September 2023, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 14 03 was at 99.5 % of available appropriations and the implementation in payment appropriations was at 87,7%.

The Commission has identified available resources in Heading 6 and proposes a transfer of EUR 17,3 million in commitment appropriations and EUR 6,8 million in payment appropriations from the Macro-financial assistance (MFA) grants and NDICI Election observation missions - Human Rights and Democracy. In addition, it is requested to mobilise the Solidarity and Emergency Aid Reserve for a total of EUR 231,6 million in commitment and payment appropriations to provide humanitarian assistance in Afghanistan, Ukraine and Moldova, Sudan, Syria and Lebanon, and Nagorno-Karabakh.

II.3

a) Heading

16 02 01 01 - Assistance to Member States in relation to events eligible under the European Union Solidarity Fund (EUSF)

b) Figures at 29/09/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	50 000 000,00	50 000 000,00
2 Transfers	54 835 030,00	54 835 030,00
3 Total appropriations for the year (1+2)	104 835 030,00	104 835 030,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	104 835 030,00	104 835 030,00
6 Increase requested	152 707 040,00	152 707 040,00
7 Total appropriations up to year end (5+6)	257 542 070,00	257 542 070,00
8 Increase as percentage of appropriations in budget (6/1)	305,41 %	305,41 %
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	1 396 820,16	1 396 820,16
2 Appropriations available on 29/09/2023	1 396 820,16	1 396 820,16
3 Implementation rate [(1-2)/1]	0,00 %	0,00 %

d) Detailed grounds for the increase

The reinforcement of EUR 152,7 million is necessary to cover the advance payments under the European Union Solidarity Fund (EUSF) to Italy in relation to the floods in Emilia Romagna which occurred in May 2023 and in relation to the floods in Slovenia which occurred at the beginning of August 2023:

- The total amount of the advance payment to Italy is EUR 94,7 million for which the existing availabilities of EUR 42 million on this operational budget line will also be used;
- As regards the floods in Slovenia, a total amount of EUR 100 million is planned for advance payments.

ANNEX 1

COMMISSION TRANSFER PROPOSALS RELATED TO THE SOLIDARITY AND EMERGENCY AID RESERVE IN 2023

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2023, 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 2023 Reserve (EUR)								
Transfer Ref	Content	TOTAL	carried over	voted budget	Internal (excluding EUSF)	EUSF	External	End-of-Year Cushion (25%)
	General Budget 2023 - Initial appropriations	1.324.897.000	0	1.324.897.000	149.050.912	496.836.375	347.785.463	331.224.250
	General Budget 2023 - EUSF advances (Article 4a EUSF Regulation)	-50.000.000		-50.000.000		-50.000.000		
	Revised distribution at end-of-year			0	-53.050.912	152.707.040	231.568.122	-331.224.250
DEC 03	Mobilisation of the SEAR for the food crises in Africa and in Yemen as well as the multisectoral crisis in Venezuela	185.000.000		185.000.000			185.000.000	
DEC 05	Mobilisation of the SEAR for the humanitarian assistance in Türkiye, Syria, Ukraine, DRC, Ethiopia and Lake Chad	162.785.463		162.785.463			162.785.463	
DEC 09	Mobilisation of the SEAR for UCPM and SMP food chain	86.000.000		86.000.000	86.000.000			
DEC 10	Mobilisation of the EUSF for Romania and Italy in relation to natural disasters in 2022 and for Türkiye in relation to the earthquakes in February 2023	446.836.375		446.836.375		446.836.375		
DEC 16	Mobilisation of the of the SEAR for external humanitarian assistance, for EUSF Italy and Slovenia, and for UCPM	394.275.162		394.275.162	10.000.000	152.707.040	231.568.122	
	Total DEC transfer proposals	1.274.897.000	0	1.274.897.000	96.000.000	599.543.415	579.353.585	0
	Remainder	0	0	0	0	0	0	0

ANNEX 2

Further information on the reinforcement of Humanitarian Aid – line 14 03 01

AFGHANISTAN – EUR 50 million

Humanitarian needs in Afghanistan and the region are drastically increasing. The revised Humanitarian Response Plan (June 2023) indicates that 29.2 million of Afghans are in need of humanitarian assistance (compared to 28.2 million in early 2023 and 6.3 million in 2019). More than 64% of the Afghan population cannot meet their basic needs. In the region, Iran and Pakistan host together 8.2 million forcibly displaced Afghans, with Iran being the second largest refugee host country globally (hosting 4.5 million of Afghans) after Turkey. Both countries face a worsening economic situation combined with high inflation and compounded by frequent natural disasters. Unassisted Afghan refugee caseloads have been identified in Central Asia.

EUR 50 million in commitment and payment appropriations will help reinforcing existing actions in Afghanistan and in the region, prioritising sectors of food security, health, protection, education, and support to displaced population.

UKRAINE (and MOLDOVA) – EUR 110 million

Ukraine faces an unprecedented humanitarian catastrophe since the start of the war, exacerbated by continuous Russian attacks on civilian infrastructure since October 2022. The UN has estimated that the 2023 humanitarian needs will be as high as in 2022, with numbers expected to continue increasing because of continuing hostilities. According to the 2023 Humanitarian Response Plan, 17.6 million people are in need of humanitarian assistance in Ukraine.

Moldova remains highly impacted by the war in Ukraine. Since February 2022, almost one million Ukrainians fled to Moldova. The Regional Refugee Response Plan for 2023 estimates that a total of 380 000 people are in need of assistance in Moldova, including 200 000 refugees and 180 000 members of the host communities.

EUR 110 million in commitment and EUR 99.5 million in payment appropriations is urgently needed for Ukraine and Moldova to provide emergency assistance ahead of the winter, notably to internally displaced persons, returnees and refugees, and to alleviate the humanitarian consequences of the destruction of the Nova Kakhovka dam.

SUDAN – EUR 67.7 million

The rapidly deteriorating humanitarian situation caused by ongoing conflicts and violence in Sudan continues to cause various ripple effects, compounding existing vulnerabilities in the country and neighbouring countries. It generates widespread displacements, with more than 3.6 million people already displaced inside the country. This comes on top of the existing 3.8 million internally displaced persons in Sudan. In addition, more than 1 million people have already been registered as having crossed international borders, seeking safety in Chad, South Sudan, the Central African Republic, Egypt, Ethiopia and Libya.

The funding of **EUR 67.7 million in commitment and payment appropriations** will be used for scaling-up the emergency response in the areas most affected by forced displacement in Sudan and the region in areas such as food assistance, protection, and education in emergencies.

SYRIA – EUR 15 million

The food and water crises in Syria have sharply deteriorated over the past weeks. Food insecurity is spiralling out of control in Syria, caused by high food prices on the world market due to Russia's war of aggression against Ukraine, amplified by the recent discontinuation of the Black Sea Grain Initiative, and exacerbated by a massive depreciation of the Syrian currency. More than 12 million people are food insecure, and an additional 2.9 million people are at risk. The food security situation for Syrian refugees in Lebanon has also sharply deteriorated. As in Syria, the rise of global food prices coupled with rampant inflation and discontinuation of Government subsidies of basic commodities and services, has a dramatic effect in particular on Syrian refugees.

EUR 15 million in commitment and payment appropriations will be used to support the response to the consequences of the food and water crises in Syria and Lebanon. In Syria this additional funding will immediately improve the access of the most vulnerable to food and safe water. In Lebanon it will support life-saving interventions targeting the most vulnerable populations among the Syrian refugees.

ARMENIA / NAGORNO – KARABKH – EUR 6.2 million

On 19 September 2023 Azerbaijan initiated military operations against Armenian forces in Nagorno-Karabakh, which had remained under the control of the de facto local authorities after the 2020 truce. At the moment, there is an estimated population of over 120 000 that could be potentially affected in the region, with a potential knock-on effect from displaced people from the enclave on hosting communities in Armenia.

EUR 6.2 million in commitment and payment appropriations will be used to cover the necessary assistance to the population from Nagorno-Karabakh.