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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	22 April 2020
To:	Mr Zdravko MARIĆ, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 07/2020 withing Section III - Commission - of the general budget for 2020

Delegations will find attached Commission document DEC 07/2020.

Encl.: DEC 07/2020



BRUSSELS, 22/04/2020

GENERAL BUDGET - 2020
SECTION III - COMMISSION TITLES: 05, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 07/2020

FROM

CHAPTER - 0505 Instrument for Pre-accession Assistance -- Agriculture and rural development

ITEM - 05 05 03 02 Support for economic, social and territorial development and related progressive alignment with the Union acquis

Payments -5 000 000,00

ITEM - 05 05 04 02 Support for economic, social and territorial development and related progressive alignment with the Union acquis

Payments -5 000 000,00

CHAPTER - 0506 International aspects of the 'Agriculture and rural development' policy area

ARTICLE - 05 06 01 International agricultural agreements

Payments -500 000,00

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments -50 000 000,00

Payments -29 500 000,00

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

INTRODUCTION

On 30 January 2020, the Director General of the World Health Organisation (WHO) declared the COVID-19 outbreak a Public Health Emergency of International Concern and a pandemic on 11 March 2020. Although initially centred in China, the COVID-19 has been spreading quickly, affecting more than 200 countries across all regions of the world. It has meanwhile been declared a pandemic, with a total of 1,9 million detected cases and 119 000 deaths as of 14 April 2020.

To respond to this high risk of spread of the COVID-19, on 5 February 2020, the WHO launched a USD 675 million Strategic Preparedness and Response Plan (SPRP) that defines activities and resources needed by international health organisations globally, including the WHO. On 25 March, the United Nations Office for the Coordination of Humanitarian Affairs launched the Global Humanitarian Response Plan for COVID-19 (GHRP), combining the appeals of the WHO, the United Nations Children's Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR), the International Organisation for Migration (IOM) and other individual agencies, identifying gaps and setting out new measures for action. The GHRP requests a total amount of USD 2 billion to respond to the emergency needs resulting from the COVID-19 pandemic.

On 26 March 2020, the Red Cross and Red Crescent Movement launched their COVID-19 appeal for an amount of CHF 800 million (some EUR 750 million), to be used for the prepositioning of goods, risk communication, cash grants for families, support to medical facilities and places of detention, and for ensuring medical access for displaced people and detainees. It will be implemented by the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Committee of the Red Cross (ICRC) and the national Red Cross/Red Crescent Societies.

Moreover, on 31 March 2020 the UN Secretary-General launched an inter-agency COVID-19 Response and Recovery Fund, requesting USD 1 billion for the following priorities: tackling the health emergency, focus on the social impact and the economic response and recovery, and help countries recover better.

The present transfer proposes to mobilise EUR 50 million in commitment appropriations and EUR 40 million in payment appropriations for the COVID-19 outbreak crisis, in addition to the previous mobilisation of the Emergency Aid Support for COVID-19 (DEC 02/2020 - EUR 30 million in commitment appropriations and EUR 24 million in payment appropriations, complementing a larger package of measures which has redirected 169 million of existing contracts towards preparedness for epidemic surveillance).

As of mid-April 2020, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 23 02 was at 95,8 % of available appropriations and the implementation in payment appropriations was at 34,9%. As of 20 April 2020, the Operational Reserve for Humanitarian aid stands at EUR 80 million and needs to be preserved to cater for other, smaller humanitarian emergencies or sudden disasters between now and year end.

The Commission has identified and proposes for redeployment EUR 10,5 million in payment appropriations from the Instrument for Pre-Accession Assistance and from other actions and programmes under Heading 4. Therefore, it requests the mobilisation of the Emergency Aid Reserve and for a total of EUR 50 million in commitment appropriations and EUR 29,5 million in payment appropriations for the COVID-19 outbreak crisis.

I. DECREASE

I.1

a) Heading

05 05 03 02 - Support for economic, social and territorial development and related progressive alignment with the Union acquis

b) Figures at 15/04/2020

	Payments
1 Appropriations in budget (Initial Budget + AB)	38 000 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	38 000 000,00
4 Appropriations already used	8 314 991,62
5 Appropriations available (3-4)	29 685 008,38
6 Decrease proposed	5 000 000,00
7 Total appropriations up to year end (5-6)	24 685 008,38
8 Decrease as percentage of appropriations in budget (6/1)	13,16 %
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 15/04/2020	8 314 991,62
3 Implementation rate $[(1-2)/1]$	n/a

d) Detailed grounds for the decrease

Due to recoveries made under previous commitments, an amount of EUR 5 million of payment appropriations can be made available from the rural development part of the Instrument for Pre-accession Assistance to cover the urgent needs under Heading 4.

I.2

a) Heading

05 05 04 02 - Support for economic, social and territorial development and related progressive alignment with the Union acquis

b) Figures at 15/04/2020

	Payments
1 Appropriations in budget (Initial Budget + AB)	80 000 000,00
2 Transfers	-1 500 000,00
3 Total appropriations for the year (1+2)	78 500 000,00
4 Appropriations already used	23 126 212,29
5 Appropriations available (3-4)	55 373 787,71
6 Decrease proposed	5 000 000,00
7 Total appropriations up to year end (5-6)	50 373 787,71
8 Decrease as percentage of appropriations in budget (6/1)	6,25 %
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 15/04/2020	23 126 212,29
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

Due to recoveries made under previous commitments, an amount of EUR 5 million of payment appropriations can be made available from the rural development part of the Instrument for Pre-accession Assistance to cover the urgent needs under Heading 4.

I.3

a) Heading

05 06 01 - International agricultural agreements

b) Figures at 15/04/2020

	Payments
1 Appropriations in budget (Initial Budget + AB)	6 300 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	6 300 000,00
4 Appropriations already used	3 937 713,26
5 Appropriations available (3-4)	2 362 286,74
6 Decrease proposed	500 000,00
7 Total appropriations up to year end (5-6)	1 862 286,74
8 Decrease as percentage of appropriations in budget (6/1)	7,94 %
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 15/04/2020	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

Due to the decision of the Council of Members of the International Olive Council (IOC) to limit the implementation of certain activities and following the accession of one new Member to IOC (Georgia), the EU's contribution was reduced. Therefore, the amount of EUR 0,5 million of payment appropriations can be made available to cover the urgent needs under Heading 4.

I.4

a) Heading

40 02 42 - Emergency aid reserve

b) Figures at 15/04/2020

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	358 500 000,00	358 500 000,00
2 Transfers	0,00	-24 000 000,00
3 Total appropriations for the year (1+2)	358 500 000,00	334 500 000,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	358 500 000,00	334 500 000,00
6 Decrease proposed	50 000 000,00	29 500 000,00
7 Total appropriations up to year end (5-6)	308 500 000,00	305 000 000,00
8 Decrease as percentage of appropriations in budget (6/1)	13,95 %	8,23 %
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 15/04/2020	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 15/04/2020

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 042 234 779,00	1 144 000 000,00
2 Transfers	-15 789 900,00	8 210 100,00
3 Total appropriations for the year (1+2)	1 026 444 879,00	1 152 210 100,00
4 Appropriations already used	983 234 500,00	369 979 454,16
5 Appropriations available (3-4)	43 210 379,00	782 230 645,84
6 Increase requested	50 000 000,00	40 000 000,00
7 Total appropriations up to year end (5+6)	93 210 379,00	822 230 645,84
8 Increase as percentage of appropriations in budget (6/1)	4,80 %	3,50 %
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 15/04/2020	1 024 638,59	0,00
3 Implementation rate [(1-2)/1]	0,00 %	100,00 %

d) Detailed grounds for the increase

The additional funding of EUR 50 million in commitment appropriations and EUR 40 million in payment appropriations will be used to enhance health, water, sanitation and hygiene services as a crucial element in trying to prevent the further spread of the pandemic, particularly in crowded settings, including refugee or internally displaced person camps/settlements and host communities. Given the challenging circumstances of the pandemic and related restrictions of movement, the funds will also support logistics services and supply chains for an effective delivery of emergency aid.

The Commission has identified and proposes for redeployment EUR 10,5 million in payment appropriations. It therefore proposes the mobilisation of the Emergency Aid Reserve for EUR 50 million in commitment appropriations and EUR 29,5 million in payment appropriations.

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
DEC 07	Mobilisation of the EAR for COVID-19 outbreak crisis	-	50 000 000	29 500 000
	Total transfer proposals	0	124 397 884	143 500 000
	Remainder	0	234 102 116	215 000 000
	Total remainder of commitment appropriations	234 102 116		