



Council of the
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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	12 June 2020
To:	Mr Zdravko MARIĆ, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 12/2020 within Section III - Commission - of the general budget for 2020

Delegations will find attached Commission document DEC 12/2020.

Encl.: DEC 12/2020



BRUSSELS, 12/06/2020

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

TRANSFER OF APPROPRIATIONS N° **DEC 12/2020**

FROM

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments	-130 000 000,00
Payments	-130 000 000,00

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	130 000 000,00
Payments	130 000 000,00

I. DECREASE

I.1

a) Heading

40 02 42 - Emergency aid reserve

b) Figures at 05/06/2020

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	358 500 000,00	358 500 000,00
2 Transfers	-124 397 884,00	-143 500 000,00
3 Total appropriations for the year (1+2)	234 102 116,00	215 000 000,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	234 102 116,00	215 000 000,00
6 Decrease proposed	130 000 000,00	130 000 000,00
7 Total appropriations up to year end (5-6)	104 102 116,00	85 000 000,00
8 Decrease as percentage of appropriations in budget (6/1)	36,26 %	36,26 %
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 05/06/2020	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 05/06/2020

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 042 234 779,00	1 144 000 000,00
2 Transfers	193 297 884,00	138 210 100,00
3 Total appropriations for the year (1+2)	1 235 532 663,00	1 282 210 100,00
4 Appropriations already used	1 152 532 384,00	760 222 135,63
5 Appropriations available (3-4)	83 000 279,00	521 987 964,37
6 Increase requested	130 000 000,00	130 000 000,00
7 Total appropriations up to year end (5+6)	213 000 279,00	651 987 964,37
8 Increase as percentage of appropriations in budget (6/1)	12,47 %	11,36 %
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 05/06/2020	1 018 638,59	0,00
3 Implementation rate [(1-2)/1]	0,59 %	100,00 %

d) Detailed grounds for the increase

Yemen – EUR 70 million

Yemen remains the world's most serious humanitarian crisis. A series of recent developments have contributed to a deterioration of the situation, including a new conflict escalation since January 2020, resulting in over 70 000 new internally displaced persons (IDPs), an exacerbation of the food security crisis due to the impact of the COVID-19 outbreak and urgent health service needs to cope with the COVID-19 outbreak. This dire situation has now been severely exacerbated by torrential rainfalls and flooding since mid-April, which have devastated the country and affected more than 100 000 people.

EUR 70 million in commitment and payment appropriations is requested in addition to the EUR 40 million already programmed for this crisis for 2020. The additional funding will be used to avoid a break in the food and nutrition pipelines of World Food Programme (WFP) and UNICEF, which is expected as of end of May/June 2020. Priority locations will include those directly affected by the conflict, the floods, and the epidemics, both in the North and in the South of Yemen. The Commission will channel this additional funding through UN Agencies and NGOs.

Sahel – EUR 40 million

In the Sahel, the number of people facing a critical lack of food and access to basic services (healthcare, water, sanitation and hygiene (WASH)) has spiked due to rising insecurity, climate shocks and most lately due to the COVID-19 outbreak.

Over the period 2018-2020, the needs in the six countries have increased by 29% in financial terms. Humanitarian needs across Burkina Faso, Mali, Niger, Chad, Nigeria and Cameroon are massive and all indicators show a deterioration of the situation this year: The number of food insecure people is now 15,7 million, compared to 9,1 million in 2019 (+73%), with increases ranging from +43% (Nigeria) to +213% (Burkina Faso). As a result, there is a sharp rise in the number of security incidents and community conflicts triggering population movements, destruction and closure of schools. Food insecurity – caused by conflict, climate change and high population growth – is disrupting transhumance routes, weakening livelihoods and aggravating farmer-pastoralist conflicts.

Additional funds are vital to ensure timely interventions for the upcoming lean season, starting in June 2020, which is expected to be severe. Assistance is also needed to cover multi-sectoral needs for basic services (mainly health, education, WASH, shelter) of the increasing number of displaced population (refugees and IDPs) and host communities, who are also subject to the food crisis.

EUR 40 million in commitment and payment appropriations is requested - in addition to the EUR 167 million already programmed for this area for 2020 - in particular to mitigate the risk linked to food insecurity during the lean season, financing emergency food assistance, nutrition support, protection and multi-sectoral rapid response assistance.

Sudan – EUR 20 million

In Sudan, a series of recent developments have contributed to a dramatic deterioration of the situation. The worsening of the economy brought the total number of food insecure people to 9,2 million (+ 46% compared to initial estimates for 2020), and increased the cost of humanitarian aid due to inflation. The COVID-19 pandemic has severe consequences on the health system, which is one of the weakest in the world. Vaccination campaigns and responses to disease outbreaks are suspended, and some health services (30%) are not functioning due to lack of staff, personal protective equipment and training. The worst form of child malnutrition is set to increase by 10-15% from the current 522 000 cases. In addition, sporadic clashes inside the country and conflict in neighbouring countries continue to generate forced displacement within and to Sudan. Between December 2019 and April 2020, nearly 100 000 persons were displaced in Darfur on top of large-scale displacement of nearly 2 million people and the million refugees the country is hosting.

EUR 20 million in commitment and payment appropriations is requested in addition to the EUR 30 million already programmed for this area for 2020. Additional funding will be used for immediate food assistance and livelihood support (whenever possible through cash-based interventions), as well as ongoing life-saving health and nutrition services. It may also support a scaling-up of humanitarian actors' capacity to provide multisector emergency response and humanitarian logistics services.

As of the beginning of June 2020, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 23 02 was at 94,3% of available appropriations and the implementation in payment appropriations was at 65,4%. The Operational Reserve for Humanitarian aid currently stands at EUR 71 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 130 million** in commitment and payment appropriations for the crises in Yemen, Sahel and Sudan.

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
DEC 12	Mobilisation of the EAR for Yemen, Sahel, Sudan	-	130 000 000	130 000 000
	Total transfer proposals	0	254 397 884	273 500 000
	Remainder	0	104 102 116	85 000 000
	Total remainder of commitment appropriations	104 102 116		