



Council of the
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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	14 October 2020
To:	Ms Bettina HAGEDORN, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 20/2020 within Section III - Commission - of the general budget for 2020
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Delegations will find attached Commission document DEC 20/2020.

Encl.: DEC 20/2020



BRUSSELS, 14/10/2020

GENERAL BUDGET - 2020
SECTION III - COMMISSION TITLES: 05, 07, 13, 14, 19, 22, 23

TRANSFER OF APPROPRIATIONS N° DEC 20/2020

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	Commitments	-66 000 000,00
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CHAPTER - 0506 International aspects of the 'Agriculture and rural development' policy area

ARTICLE - 05 06 01 International agricultural agreements	Commitments	-1 555 889,00
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CHAPTER - 0702 Environmental policy at Union and international level

ARTICLE - 07 02 04 Contribution to multilateral and international environment agreements	Commitments	-209 475,00
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CHAPTER - 1305 Instrument for Pre-Accession Assistance -- Regional development and regional and territorial cooperation

ITEM - 13 05 63 02 Cross-border cooperation (CBC) -- Contribution from Heading 4	Commitments	-1 232 381,00
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CHAPTER - 1402 Customs

ARTICLE - 14 02 02 Membership of international organisations in the field of customs	Commitments	-13 055,00
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CHAPTER - 1903 Common foreign and security policy (CFSP)

ITEM - 19 03 01 04 Other crisis management measures and operations	Commitments	-16 000 000,00
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CHAPTER - 1904 Election observation missions (EU EOMs)

ARTICLE - 19 04 01 Improving the reliability of electoral processes, in particular by means of election observation missions	Commitments	-4 500 000,00
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CHAPTER - 2303 The Union Civil Protection Mechanism

ITEM - 23 03 02 02 Rapid and efficient emergency response interventions in the event of major disasters in third countries	Payments	-11 000 000,00
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TO

CHAPTER - 2202 Enlargement process and strategy

ITEM - 22 02 04 01 Multi-country programmes, regional integration and territorial cooperation

Commitments	25 000 000,00
Payments	11 000 000,00

CHAPTER - 2204 European Neighbourhood Instrument (ENI)

ITEM - 22 04 01 03 Mediterranean countries -- Confidence building, security and the prevention and settlement of conflicts

Commitments	64 510 800,00
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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 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	84 000 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	84 000 000,00
4 Appropriations already used	18 000 000,00
5 Appropriations available (3-4)	66 000 000,00
6 Decrease proposed	66 000 000,00
7 Total appropriations up to year end (5-6)	0,00
8 Decrease as percentage of appropriations in budget (6/1)	78,57 %
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 08/10/2020	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

An amount of EUR 66 million in internal assigned revenues arising from recoveries has recently become available under budget line 05 05 01 01 - The Sapard pre-accession instrument — Completion of the programme (2000 to 2006), a financial instrument used to support the beneficiary countries of Central and Eastern Europe in dealing with the structural adjustment in their agricultural sectors and rural areas. It has been transferred for use on the present budget line via a Commission autonomous transfer. Therefore, the corresponding 2020 commitment appropriations can be made available for other needs in Heading 4.

I.2

a) Heading

05 06 01 - International agricultural agreements

b) Figures at 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	6 300 000,00
2 Transfers	-500 000,00
3 Total appropriations for the year (1+2)	5 800 000,00
4 Appropriations already used	4 244 110,46
5 Appropriations available (3-4)	1 555 889,54
6 Decrease proposed	1 555 889,00
7 Total appropriations up to year end (5-6)	0,54
8 Decrease as percentage of appropriations in budget (6/1)	24,70 %
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 08/10/2020	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

The EU contributions paid to the International Sugar Organisation, the International Grains Council and the International Olive Council were lower than estimated in the 2020 budget. Moreover, it will not be possible to use the amount of EUR 1 million budgeted in 2020 for the World Intellectual Property Organisation (WIPO), as, due to the Covid-19 crisis the WIPO has postponed the decision to request extraordinary contributions from members, including the EU. Therefore, an amount of EUR 1,6 million in commitment appropriations can be made available for other needs in Heading 4.

I.3

a) Heading

07 02 04 - Contribution to multilateral and international environment agreements

b) Figures at 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	3 864 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	3 864 000,00
4 Appropriations already used	3 654 524,67
5 Appropriations available (3-4)	209 475,33
6 Decrease proposed	209 475,00
7 Total appropriations up to year end (5-6)	0,33
8 Decrease as percentage of appropriations in budget (6/1)	5,42 %
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 08/10/2020	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

All contributions to multilateral and international environment agreements due in 2020 have been paid. Due to exchange rate fluctuations, the amount paid is slightly lower than forecast and an amount of EUR 0,2 million in commitment appropriations can be made available for other needs in Heading 4.

I.4

a) Heading

13 05 63 02 - Cross-border cooperation (CBC) -- Contribution from Heading 4

b) Figures at 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	34 795 045,00
2 Transfers	-5 184 814,00
3 Total appropriations for the year (1+2)	29 610 231,00
4 Appropriations already used	28 377 849,39
5 Appropriations available (3-4)	1 232 381,61
6 Decrease proposed	1 232 381,00
7 Total appropriations up to year end (5-6)	0,61
8 Decrease as percentage of appropriations in budget (6/1)	3,54 %
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 08/10/2020	0,34
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

An amount of EUR 1,2 million in internal assigned revenues arising from recoveries has become available on budget line 13 05 01 01 - Instrument for Structural Policies for Pre-accession (ISPA) — Completion of other previous projects (2000 to 2006). It has been transferred for use on the present budget line via a Commission autonomous transfer. Therefore, the corresponding 2020 commitment appropriations can be made available for other needs in Heading 4.

I.5

a) Heading

14 02 02 - Membership of international organisations in the field of customs

b) Figures at 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	1 142 890,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	1 142 890,00
4 Appropriations already used	1 129 834,03
5 Appropriations available (3-4)	13 055,97
6 Decrease proposed	13 055,00
7 Total appropriations up to year end (5-6)	0,97
8 Decrease as percentage of appropriations in budget (6/1)	1,14 %
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 08/10/2020	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

Following the decision of the Council of the World Customs Organization (WCO) in June, the 2020 contribution to the WCO was not adjusted compared to last year's contribution. Therefore, the amount paid is slightly lower than forecast and EUR 13 055 in commitment appropriations can be made available for other needs in Heading 4.

I.6

a) Heading

19 03 01 04 - Other crisis management measures and operations

b) Figures at 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	190 427 000,00
2 Transfers	6 779 727,45
3 Total appropriations for the year (1+2)	197 206 727,45
4 Appropriations already used	161 267 986,56
5 Appropriations available (3-4)	35 938 740,89
6 Decrease proposed	16 000 000,00
7 Total appropriations up to year end (5-6)	19 938 740,89
8 Decrease as percentage of appropriations in budget (6/1)	8,40 %
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	14 684 522,95
2 Appropriations available on 08/10/2020	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the decrease

Throughout the year, the Commission identified unused funds that some of the civilian Common Security and Defence Policy (CSDP) Missions have not been able to absorb during their mandates and have therefore returned as recoveries. Lower absorption rates can be explained by a number of factors, e.g. unsuccessful procurement procedures that have led to failed tenders, delays in the recruitment and deployment of staff on the ground and challenging security situations in host countries, which hamper the operations of the Missions on the ground.

More recently, the impact of the Covid-19 pandemic and the need to redeploy staff back to their home countries has led to a partial standstill of the CSDP operations in some, although not all Missions' areas, during the months of March to June. For example, the newly created Mission in the Central African Republic could not be deployed as initially foreseen in March due to the pandemic. Therefore, EUR 16 million in commitment appropriations can be made available for other needs in Heading 4.

I.7

a) Heading

19 04 01 - Improving the reliability of electoral processes, in particular by means of election observation missions

b) Figures at 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	43 442 462,00
2 Transfers	-5 000 000,00
3 Total appropriations for the year (1+2)	38 442 462,00
4 Appropriations already used	18 942 462,00
5 Appropriations available (3-4)	19 500 000,00
6 Decrease proposed	4 500 000,00
7 Total appropriations up to year end (5-6)	15 000 000,00
8 Decrease as percentage of appropriations in budget (6/1)	10,36 %
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	757 251,94
2 Appropriations available on 08/10/2020	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the decrease

Due to the Covid-19 crisis, many missions were cancelled, delayed or changed, leaving a surplus of EUR 19,5 million in commitment appropriations on the budget line for Election Observation Missions, for example:

- elections were postponed in Ethiopia, Haiti;
- election observation missions were cancelled and or replaced by desk review or election expert missions in Myanmar, Cote d'Ivoire, Dominican Republic, Bolivia, Sri Lanka;
- election follow-up missions to Kosovo, Sierra Leone, Zimbabwe, Liberia, Madagascar and Lebanon were cancelled.

The Commission has proposed to transfer EUR 15 million to the Instrument contributing to Stability and Peace to support on-going crises through DEC 18/2020. Another EUR 4,5 million are available for other needs in Heading 4.

I.8

a) Heading

23 03 02 02 - Rapid and efficient emergency response interventions in the event of major disasters in third countries

b) Figures at 08/10/2020

	Payments
1 Appropriations in budget (Initial Budget + AB)	10 500 000,00
2 Transfers	55 789 900,00
3 Total appropriations for the year (1+2)	66 289 900,00
4 Appropriations already used	5 996 162,46
5 Appropriations available (3-4)	60 293 737,54
6 Decrease proposed	11 000 000,00
7 Total appropriations up to year end (5-6)	49 293 737,54
8 Decrease as percentage of appropriations in budget (6/1)	104,76 %
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 08/10/2020	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

The earlier budgetary reinforcements on this budget line aimed at fulfilling the requests from Member States of reimbursement of the Covid-19 repatriation flights. However, at this stage a surplus of EUR 30 million in payment appropriations has been identified, which is proposed to be used in the present transfer (EUR 11 million) and in the transfer requesting the mobilisation of the Emergency Aid Reserve for Afghanistan, South Sudan and the Rohingyas' crises (DEC 21/2020 - EUR 19 million).

The surplus is triggered by an updated needs assessment made on the basis of the grants signed and corresponding payment obligations. The request from a Member State covering two thirds of the total budget cannot be contracted at this stage due to lack of information, and the related payment is thus postponed.

II. INCREASE

II.1

a) Heading

22 02 04 01 - Multi-country programmes, regional integration and territorial cooperation

b) Figures at 08/10/2020

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	603 637 000,00	304 788 952,00
2 Transfers	-19 162 956,00	-55 615 974,00
3 Total appropriations for the year (1+2)	584 474 044,00	249 172 978,00
4 Appropriations already used	369 386 799,00	134 184 903,04
5 Appropriations available (3-4)	215 087 245,00	114 988 074,96
6 Increase requested	25 000 000,00	11 000 000,00
7 Total appropriations up to year end (5+6)	240 087 245,00	125 988 074,96
8 Increase as percentage of appropriations in budget (6/1)	4,14 %	3,61 %
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	144 929,73	11 721,13
2 Appropriations available on 08/10/2020	4 419 433,32	0,00
3 Implementation rate [(1-2)/1]	-2 949,36 %	100,00 %

d) Detailed grounds for the increase

In Bosnia and Herzegovina, around 10 000 refugees and migrants are in need of shelter and access to basic services for the coming winter. Around 6 500 are hosted in EU funded reception centres, while some 3 500 are still forced to sleep in the open. With the expected increase in numbers before winter and against the background of a deteriorating Covid-19 situation, a humanitarian emergency risks unfolding.

Current financing under the Instrument for Pre-accession Assistance (IPA) is ensured only until October/November and complementary funds from Humanitarian aid and the Instrument contributing to Stability and Peace – which have been activated - are limited. Funds under IPA III are likely to become available only in late 2021, once the new generation of programming documents and implementing rules have been adopted. Hence, the Commission will not be able to continue supporting the management of the current migration crisis. Stopping financing the reception centres in the country would endanger many lives and increase domestic security risks and migratory pressure on the EU border. Urgent solutions and related financial resources are thus required.

The requested EUR 25 million in commitment appropriations will be quickly operationalised via a grant to the International Organisation for Migration, which is already managing the EU-funded reception centres in cooperation with international and humanitarian partners in the country. EUR 11 million in payment appropriations are also requested.

II.2

a) Heading

22 04 01 03 - Mediterranean countries -- Confidence building, security and the prevention and settlement of conflicts

b) Figures at 08/10/2020

	Commitments
1 Appropriations in budget (Initial Budget + AB)	521 220 115,00
2 Transfers	-67 719 574,00
3 Total appropriations for the year (1+2)	453 500 541,00
4 Appropriations already used	353 500 540,55
5 Appropriations available (3-4)	100 000 000,45
6 Increase requested	64 510 800,00
7 Total appropriations up to year end (5+6)	164 510 800,45
8 Increase as percentage of appropriations in budget (6/1)	12,38 %
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	0,00
2 Appropriations available on 08/10/2020	0,00
3 Implementation rate $[(1-2)/1]$	n/a

d) Detailed grounds for the increase

The explosion in Beirut generated damage, economic losses and recovery needs estimated at USD 8,5 – 10,3 billion, in a country already struck by multiple crises. The capacity of Lebanon to meet the basic needs of its citizens and in particular those of vulnerable groups - including more than one million refugees from Syria - will continue to be affected by the consequences of this explosion for some time to come. Addressing the fallout is key to the EU's strategic interest in promoting stability and avoiding a precipitous deterioration in the situation of vulnerable groups, which could lead to a possible secondary movement of refugees.

To this end the Commission requests to reinforce the European Neighbourhood Instrument with EUR 64,5 million in commitment appropriations. This funding will help ensure that the EU response to the Beirut explosion is robust, addresses immediate needs, ensures recovery and places the EU at the heart of the coming effort to 'build back better', accompanied by essential reforms.

The additional funding will be used to support the most vulnerable, in sectors such as social protection, health and livelihoods. Actions to be funded may include cash support to the most vulnerable households affected by the blast as well as activities to strengthen social assistance systems, to ensure continuity of health care, especially primary health care, mental health and access to basic medication, to enhance social protection services for vulnerable groups and to support the economic recovery and livelihoods in the affected areas.

No additional payment appropriations are needed in 2020.