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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	14 September 2021
To:	Ms Irena DRMAŽ, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 16/2021 within Section III - Commission - of the general budget for 2021

Delegations will find attached Commission document DEC 16/2021.

Encl.: DEC 16/2021



BRUSSELS, 14/09/2021

GENERAL BUDGET - 2021
SECTION III - COMMISSION TITLES: 14, 15

TRANSFER OF APPROPRIATIONS N° DEC 16/2021

FROM

CHAPTER - 1420 Pilot projects, preparatory actions, prerogatives and other actions

ITEM - 14 20 03 01 Macro-financial assistance (MFA) grants	Commitments	-51 400 000,00
	Payments	-21 000 000,00

CHAPTER - 1502 Instrument for Pre-accession Assistance (IPA III)

ITEM - 15 02 02 02 Transition to the rules of the Union	Commitments	-17 635 655,43
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ITEM - 15 02 99 01 Completion of previous instruments for pre-accession assistance (prior to 2021)	Payments	-25 000 000,00
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TO

CHAPTER - 1403 Humanitarian Aid

ARTICLE - 14 03 01 Humanitarian aid	Commitments	69 035 655,43
	Payments	46 000 000,00

I. DECREASE

I.1

a) Heading

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

b) Figures at 02/09/2021

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	56 449 042,00	26 000 000,00
2 Transfers	-4 560 883,00	-4 560 883,00
3 Total appropriations for the year (1+2)	51 888 159,00	21 439 117,00
4 Appropriations already used	227 200,00	217 440,00
5 Appropriations available (3-4)	51 660 959,00	21 221 677,00
6 Decrease proposed	51 400 000,00	21 000 000,00
7 Total appropriations up to year end (5-6)	260 959,00	221 677,00
8 Decrease as percentage of appropriations in budget (6/1)	91,06 %	80,77 %
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 02/09/2021	0,00	0,00
3 Implementation rate [(1-2)/1]	n/a	n/a

d) Detailed grounds for the decrease

The current state of macro-financial assistance (MFA) operations indicates that no new MFA operations including a grant will materialize this year, which implies that EUR 51,4 million in commitment appropriations and EUR 21 million in payment appropriations can be made available from the MFA grants budget line to cover the urgent needs under Heading 6. The expectation of concluding new MFA operations for Armenia and Moldova, both eligible for an MFA grant, which could have come under consideration in 2021, have been delayed to 2022.

The Commission therefore proposes EUR 51,4 million in commitments appropriations and EUR 21 million in payment appropriations to be transferred to the Humanitarian aid budget line 14 03 01 to support the crisis in Afghanistan.

I.2

a) Heading

15 02 02 02 - Transition to the rules of the Union

b) Figures at 02/09/2021

	Commitments
1 Appropriations in budget (Initial Budget + AB)	100 000 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	100 000 000,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	100 000 000,00
6 Decrease proposed	17 635 655,43
7 Total appropriations up to year end (5-6)	82 364 344,57
8 Decrease as percentage of appropriations in budget (6/1)	17,64 %
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 02/09/2021	17 635 655,43
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

Due to the current amount of assigned revenue originating from recoveries which concern pre-accession aid (Special Accession Programme for Agricultural and Rural Development - SAPARD for Romania, Instrument for Pre-Accession Assistance in Rural Development - IPARD I for Turkey, Croatia, North Macedonia), EUR 17,6 million in commitment appropriations can be made available from the budget line 'Transition to the rules of the European Union' of the Instrument for Pre-Accession Assistance to cover the urgent needs under Heading 6.

The Commission therefore proposes EUR 17,6 million in commitments appropriations to be transferred to the Humanitarian aid budget line 14 03 01 to support the crisis in Afghanistan.

I.3

a) Heading

15 02 99 01 - Completion of previous instruments for pre-accession assistance (prior to 2021)

b) Figures at 02/09/2021

	Payments
1 Appropriations in budget (Initial Budget + AB)	1 817 057 815,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	1 817 057 815,00
4 Appropriations already used	954 656 280,09
5 Appropriations available (3-4)	862 401 534,91
6 Decrease proposed	25 000 000,00
7 Total appropriations up to year end (5-6)	837 401 534,91
8 Decrease as percentage of appropriations in budget (6/1)	1,38 %
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	91 312 639,82
2 Appropriations available on 02/09/2021	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the decrease

Due to the use of recoveries of past pre-accession aid and the fact that at this time of the year the final 2021 payment needs can be estimated more precisely, EUR 25 million in payments appropriations can be made available from the budget line 'Completion of previous instruments for pre-accession assistance (prior to 2021)' to cover the urgent needs under Heading 6.

The Commission therefore proposes EUR 25 million in payments appropriations to be transferred to the Humanitarian aid budget line 14 03 01 to support the crisis in Afghanistan.

II. INCREASE

II.1

a) Heading

14 03 01 - Humanitarian aid

b) Figures at 02/09/2021

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 416 512 450,00	1 820 000 000,00
2 Transfers	314 000 000,00	324 000 000,00
3 Total appropriations for the year (1+2)	1 730 512 450,00	2 144 000 000,00
4 Appropriations already used	1 593 130 000,00	1 732 644 169,34
5 Appropriations available (3-4)	137 382 450,00	411 355 830,66
6 Increase requested	69 035 655,43	46 000 000,00
7 Total appropriations up to year end (5+6)	206 418 105,43	457 355 830,66
8 Increase as percentage of appropriations in budget (6/1)	4,87 %	2,53 %
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	154 184,80	7 514,62
2 Appropriations available on 02/09/2021	141 184,80	0,00
3 Implementation rate $[(1-2)/1]$	8,43 %	100,00 %

d) Detailed grounds for the increase

The humanitarian situation triggered by the crisis in Afghanistan is undergoing a dramatic deterioration, calling for an urgent response to prevent more disastrous consequences.

Already before the current crisis, the ongoing conflict, insecurity, extreme drought and the COVID-19 pandemic caused large-scale suffering and displacement of people in Afghanistan and the region. The takeover of Kabul by the Taliban on 15 August has added an additional layer of complexity. While the situation remains fluid and the future governance model of Afghanistan is still undetermined, it is clear that humanitarian needs will drastically increase, due to Taliban control over the delivery of basic services, to massive internal and cross-border displacements and to the expected suspension of at least part of the development aid arriving in the country. In 2021, as of mid-August, more than 550 000 people were internally displaced. It is expected that their number will significantly increase.

The UN is preparing an addendum to the Humanitarian Response Plan and several agencies have already released appeals both for Afghanistan and the region, including the World Food Programme (USD 200 million needed for September-December 2021 inside Afghanistan) and the United Nations High Commissioner for Refugees (USD 131 million as part of a 299 million inter-agency regional plan).

The needs are significantly above what was planned for with the available resources of the Commission's Worldwide Decision for humanitarian aid in 2021 (EUR 32 million) and the consequent top up from the Solidarity and Emergency Aid Reserve mobilised by DEC 12/2021 (EUR 25 million). The Commission therefore proposes to step up its support by a further EUR 70 million in commitment appropriations.

The Commission has identified and proposes for redeployment EUR 69 million in commitment appropriations and EUR 46 million in payment appropriations from the Macro-Financial Assistance grants budget line and from the Instrument for Pre-Accession Assistance to support the crisis in Afghanistan. An additional EUR 1 million will be provided from the humanitarian aid instrument.

The funds will be needed under the humanitarian aid budget line (14 03 01). As of 31 August, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 14 03 is at 92,3% in commitment appropriations and 80% in payment appropriations.