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COVER NOTE

From:	Ms Kristalina GEORGIEVA, Vice-president of the European Commission
date of receipt:	30 September 2015
To:	Mr Pierre GRAMEGNA, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 32/2015 within Section III - Commission - of the general budget for 2015

Delegations will find attached Commission document DEC 32/2015.

Encl.: DEC 32/2015



BRUSSELS, 30/09/2015

GENERAL BUDGET - 2015
SECTION III - COMMISSION TITLES: 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 32/2015

FROM

CHAPTER - 2304 EU Aid Volunteers initiative

ARTICLE - 23 04 01 EU Aid Volunteers initiative -- Strengthening the Union's capacity to respond to humanitarian crises

Payments -1 465 000,00

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments -83 622 134,00

Payments -12 799 000,00

ARTICLE - 40 02 42 Emergency aid reserve (carry-over)

Commitments -91 377 866,00

TO

CHAPTER - 2302 Humanitarian aid, food aid and disaster preparedness

ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food aid

Commitments 175 000 000,00

Payments 14 264 000,00

I. DECREASE

I.1

a) Heading

23 04 01 - EU Aid Volunteers initiative -- Strengthening the Union's capacity to respond to humanitarian crises

b) Figure at 25/09/2015

	Payments
1A Appropriation in budget (initial budget + AB)	10 078 812,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-1 000 000,00
3 Final appropriation for the year (1A+1B+2)	9 078 812,00
4 Utilisation of final appropriation	112 457,15
5 Amount not used/available (3-4)	8 966 354,85
6 Requirements up to year-end	7 501 354,85
7 Proposed decrease	1 465 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	14,54 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 25/09/2015	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

The implementation of payment appropriations is facing delays due to a number of factors: the preparation of tendering procedures has taken longer than expected, and due to a delay in one call for proposals the related payment will be postponed from December 2015 to February 2016. Therefore, an amount of EUR 1 465 000 can be made available for redeployment.

I.2

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 25/09/2015

	Commitments	Payments
1A Appropriation in budget (initial budget + AB)	303 000 000,00	150 000 000,00
1B Appropriation in budget (EFTA)	0,00	0,00
2 Transfers	0,00	-118 311 746,00
3 Final appropriation for the year (1A+1B+2)	303 000 000,00	31 688 254,00
4 Utilisation of final appropriation	0,00	0,00
5 Amount not used/available (3-4)	303 000 000,00	31 688 254,00
6 Requirements up to year-end	219 377 866,00	18 889 254,00
7 Proposed decrease	83 622 134,00	12 799 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	27,60 %	8,53 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments	Payments
1 Appropriations available at start of the year	0,00	0,00
2 Appropriations available on 25/09/2015	0,00	0,00
3 Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detailed grounds for the transfer

According to article 9 of the Multiannual Financial Framework the Emergency Aid Reserve 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.

I.3

a) Heading

40 02 42 - Emergency aid reserve (carried-over appropriations from 2014)

b) Figure at 25/09/2015

	Commitments
1A Appropriation in budget (carry-over)	198 922 866,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-107 545 000,00
3 Final appropriation for the year (1A+1B+2)	91 377 866,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	91 377 866,00
6 Requirements up to year-end	0,00
7 Proposed decrease	91 377 866,00
8 Decrease as percentage of appropriation in budget (7/1A)	45,94%
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 25/09/2015	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

See previous point I.2.

II. INCREASE

II.1

a) Heading

23 02 01 - Delivery of rapid, effective and needs-based humanitarian aid and food aid

b) Figure at 25/09/2015

	Commitments	Payments
1A Appropriation in budget (initial budget + AB)	882 446 000,00	872 446 000,00
1B Appropriation in budget (EFTA)	0,00	0,00
2 Transfers	132 000 000,00	135 000 000,00
3 Final appropriation for the year (1A+1B+2)	1 014 446 000,00	1 007 446 000,00
4 Utilisation of final appropriation	945 595 000,00	766 065 977,15
5 Amount not used/available (3-4)	68 851 000,00	241 380 022,85
6 Requirements up to year-end	243 851 000,00	255 644 022,85
7 Proposed increase	175 000 000,00	14 264 000,00
8 Increase as percentage of appropriation in budget (7/1A)	19,83 %	1,63 %
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments	Payments
1 Appropriations available at start of the year	62 508,54	28 512,24
2 Appropriations available on 25/09/2015	0,00	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %	100,00 %

d) Detailed grounds for the transfer

As of 23 September 2015 the overall implementation rate for the humanitarian aid chapter stood at 96 % for commitment appropriations and at 77 % for payment appropriations.

The initial amount of the Operational Reserve was set at EUR 176 million but at this point only EUR 39 million in commitment appropriations remain available. This balance is needed to cover new or deteriorating crises and natural disasters that might occur until the end of the year, including the recurring monsoon rains, typhoons and cyclones in South Asia, Central America and the Caribbean Region.

In line with the Commission's Communication on Managing the refugee crisis of 23 September 2015 (COM(2015) 490 final), and in order to reinforce the humanitarian response to the Syria crisis, the Commission proposes to mobilise the Emergency Aid Reserve (EAR) for an amount of EUR 175 million in commitment appropriations.

This amount will be complemented by an additional EUR 10 million from the Operational Reserve, to reach an amount for the Syria crisis already allocated through the humanitarian aid budget in 2015 of EUR 359 million.

The needs to be addressed and the countries targeted are further detailed in the attached annex.

As regards payment appropriations, pre-financing of 40 % (EUR 70 million) is needed in 2015. Of this, EUR 55,7 million is requested through redeployment in Draft Amending Budget 7/2015. The remaining part of this amount (EUR 14,3 million) is requested through this transfer, of which EUR 1,5 million through redeployment from the EU Aid Volunteers initiative. The second tranche of payments – EUR 105 million – are needed in 2016, and will be requested through an amending letter 2 to the 2016 draft budget.

Annex

Syria (EUR 65 million):

To date the United Nations (UN) appeal for Syria (Syria Response Plan) is only funded to 33%. Overall unmet requirements amount to almost EUR 1.5 billion, and the priority needs until the end of 2015 to EUR 738 million. This has forced many humanitarian actors, including the World Food Programme (WFP), the International Committee of the Red Cross (ICRC), and the United Nations Children's Fund (UNICEF) to reduce their support inside the country. The WFP had to cut the rations they distribute in the country, and needs funds urgently to avoid a critical break in the distribution pipeline. UNICEF has reported that in recent months, up to 5 million people – about half of whom are children – have suffered major interruptions to their water supplies, with serious risks of disease as a consequence. The lack of humanitarian aid reaching Syria is another crucial reason for the Syrians to leave their country, on top of the insecurity faced on a daily basis.

The additional actions to be financed will be channelled through partners working in the areas of highest displacement resulting from on-going fighting. These are the areas of Aleppo, Daraa, Deir Ezzor, rural Damascus as well as in the Governorates that are supporting the biggest number of Internally Displaced Persons (IDPs) (like the areas of Lattaquie and Tartous), from which IDPs are now fleeing towards Europe via Turkey. The priority sectors of intervention will be health, water, sanitation and hygiene, protection and food. Partners to be supported will include the UN agencies, International Organisations and International Non-Governmental Organisations (INGOs).

Iraq (EUR 30 million):

The additional funding will seek to cover urgent immediate needs of displaced populations in Iraq. The support will focus on the locations with the highest needs, due to recent intensification of the fighting, with a view to prevent multiple displacements. Emergency life-saving assistance will be provided to newly displaced people fleeing the on-going conflict in their hometowns and villages – now reaching a total population of 3.2 million IDPs. The UN Office for Coordination of Humanitarian Affairs (OCHA) has warned that the continuous dramatic underfunding of the 2015 humanitarian appeal (only 33% funded) is prompting a fresh wave of Iraqi refugees towards Europe. The ICRC appeal for Iraq for 2015 is also severely underfunded (EUR 20 million gap). Several partners (e.g. WFP, UN High Commissioner for Refugees, UNICEF, World Health Organisation, International Organisation for Migration and INGOs) have announced cuts across all sectors of humanitarian assistance. Iraqis will follow the steps of Syrian asylum seekers, reaching the EU borders, if adequate humanitarian aid, livelihood and basic public services are not provided to the most vulnerable, reaching or living in more secure locations. Tens of thousands of Iraqis have already fled the conflict for the safety of Europe. Their number in 2015 has increased by 500%, compared to 2014. The additional actions to be financed will support humanitarian partners providing food, health services, water, sanitation and hygiene, and basic non-food items (including winterisation assistance). Support will be delivered by UN agencies, International Organisations and INGOs.

Refugee hosting and transit countries (Turkey, Lebanon, Jordan and Western Balkans (Serbia, former Yugoslav Republic of Macedonia)) (EUR 80 million)

The humanitarian situation for Syrian refugees living in **Jordan** continues to deteriorate. Most of them (88%) live outside camps and their living conditions have become more hostile with a number of policy changes that have implied restrictions in the access to health services, education and employment. During the month of September the number of returns to war torn Syria doubled to approximately 170 per day. At the border between Syria and Jordan, Syrians in desperate need of urgent humanitarian assistance continue to arrive. The number of war wounded arrivals has doubled since the beginning of the year and funding is urgently needed to support the health referral system of new arrivals as a condition to access the country.

During the past months **Lebanon** has witnessed a continuous deterioration of the refugees' protection space and living conditions. Restrictions imposed on refugees' free movements and residence entitlements combined with lack of livelihood opportunities and stretched public services (health care, water and sanitation, education, etc.) have all contributed to worsened living conditions and to a dramatic increase of vulnerability levels. Considering the divide between increasing needs and reduced international assistance, additional funds will be key to addressing at least the most urgent needs of the 30% most vulnerable refugees, who live mostly in informal settlements and host communities.

Inside **Turkey**, the Commission's humanitarian response has so far been limited to small-scale interventions due to limited resources as well as exponential needs inside Syria and in the wider region. However, current humanitarian priorities in Turkey are wide reaching as Turkey is now host to the largest refugee population in the world with over 2.4 million refugees including 2.2 million Syrian refugees. Almost 90% of refugees in the country live outside of camps and have limited access to basic assistance. The additional funding will allow for sustaining and implementing current programmes focusing on the most vulnerable refugees and new arrivals. These operations provide beneficiaries with food and non-food items (largely through voucher programmes), access to medical assistance and protection.

In the **Western Balkans**, the additional funding will support the partners that are helping refugees heading towards Europe by providing immediate emergency assistance (medical, non-food items, water etc.). Funding will be designed in such a way so as to be able to adjust quickly assistance to changing routes.