



Council of the
European Union

Brussels, 31 May 2023
(OR. en)

10014/23

FIN 578

COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	31 May 2023
To:	Ms Johanna LYBECK LILJA, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 09/2023 within Section III - Commission - of the general budget for 2023
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Delegations will find attached Commission document DEC 09/2023.

Encl.: DEC 09/2023



EUROPEAN COMMISSION

BRUSSELS, 31/05/2023

GENERAL BUDGET - 2023
SECTION III - COMMISSION TITLES: 03, 06, 30

TRANSFER OF APPROPRIATIONS N° DEC 09/2023

FROM

CHAPTER - 3004 Solidarity mechanisms (special instruments)

ARTICLE - 30 04 01 Solidarity and emergency aid reserve (SEAR)

Commitments	-86 000 000,00
Payments	-86 000 000,00

TO

CHAPTER - 0302 Single Market Programme

ARTICLE - 03 02 06 Contributing to a high level of health and welfare for humans, animals and plants

Commitments	31 000 000,00
Payments	31 000 000,00

CHAPTER - 0605 Union Civil Protection Mechanism

ARTICLE - 06 05 01 Union Civil Protection Mechanism

Commitments	55 000 000,00
Payments	55 000 000,00

The European Commission requests the mobilisation of the Solidarity and Emergency Aid Reserve (SEAR) based on Article 9(1)(b) of the Multiannual Financial Framework Regulation, for a total amount of EUR 86 million in commitment and payment appropriations from the internal strand of the SEAR.

The present transfer aims to address the continued high needs in 2023 of the Union Civil Protection Mechanism (UCPM) and the Food chain strand of the Single Market programme, which were already reinforced for similar purposes in the course of 2022, for UCPM for a total amount of EUR 84,5 million through DEC 08/2022 and DEC 10/2022, and EUR 73,8 million for Food and Feed measures in amending budget 5/2022.

The amount of EUR 55 million requested for UCPM is meant to finance UCPM emergency response actions following the earthquakes in Türkiye/Syria and the crisis in Sudan, as well as the upcoming peak of measures in view of the forest fire season. In parallel, the existing UCPM budget will be used to finance continued support to Ukraine, for which last year's reinforcements were requested.

The amount of EUR 31 million requested for the food chain strand of the Single Market programme is necessary to cover the needs related to the avian influenza emergency measures in 2023. Last year's reinforcement of the Food and Feed measures has been used to deal with the backlog of reimbursements related to previous outbreaks of avian influenza and African swine fever. In parallel, the Member States have not objected to the Commission decision to significantly reduce the co-financing rates for new cases, so as to limit the impact on the EU budget in the future.

I. DECREASE

I.1

a) Heading

30 04 01 - Solidarity and emergency aid reserve (SEAR)

b) Figures at 15/05/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 274 897 000,00	1 274 897 000,00
2 Transfers	-347 785 463,00	-347 785 463,00
3 Total appropriations for the year (1+2)	927 111 537,00	927 111 537,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	927 111 537,00	927 111 537,00
6 Decrease proposed	86 000 000,00	86 000 000,00
7 Total appropriations up to year end (5-6)	841 111 537,00	841 111 537,00
8 Decrease as percentage of appropriations in budget (6/1)	6,75 %	6,75 %
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 15/05/2023	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 Regulation, the Solidarity and Emergency Aid Reserve (SEAR) is intended to allow for

- (a) assistance to respond to emergency situations resulting from major disasters that are covered by the European Union Solidarity Fund, the objectives and scope of which are set out in Council Regulation (EC) No 2012/2002; and
- (b) rapid responses to specific emergency needs within the Union or in third countries following events which could not be foreseen when the budget was established, in particular for emergency responses and support operations following natural disasters not covered by point (a), man-made disasters, humanitarian crises in cases of large-scale public health, veterinary or phytosanitary threats, as well as in situations of particular pressure at the Union's external borders resulting from migratory flows, where circumstances so require.

II. INCREASE

II.1

a) Heading

03 02 06 - Contributing to a high level of health and welfare for humans, animals and plants

b) Figures at 15/05/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	231 319 000,00	202 000 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	231 319 000,00	202 000 000,00
4 Appropriations already used	94 200 457,67	10 137 158,37
5 Appropriations available (3-4)	137 118 542,33	191 862 841,63
6 Increase requested	31 000 000,00	31 000 000,00
7 Total appropriations up to year end (5+6)	168 118 542,33	222 862 841,63
8 Increase as percentage of appropriations in budget (6/1)	13,40 %	15,35 %
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	2 293 113,93	1 408 016,48
2 Appropriations available on 15/05/2023	1 129 081,72	0,00
3 Implementation rate [(1-2)/1]	50,76 %	100,00 %

d) Detailed grounds for the increase

Costs incurred by Member States to carry out emergency measures to fight outbreaks of animal diseases can be eligible for co-financing from the EU budget.

It is essential that appropriate measures continue to be implemented by Member States and financial support is provided by the EU, as the devastating consequences of these disease for livestock and financial consequences for the wider economic sector can be substantial, not to mention the potential impact on human health, due to the risk of transmission of some forms of influenza from animals to humans.

Following the very large number of outbreaks in the years 2020-2022 in the field of animal health, in particular as regards diseases as the African Swine Fever and the Highly Pathogenic Avian Influenza, the resources available under the food chain strand of the Single Market Programme (SMP) have not been sufficient since 2021.

In order to cope with the budget shortage, the specific budget line received a reinforcement of EUR 73,8 million in amending budget 5/2022. These funds were used to honour outstanding legal obligations.

In the light of the budgetary constraints, measures were taken to reduce the budgetary consequences in the medium and long term: Member States did not oppose the adoption of a Commission Decision in February 2023 to reduce by 60% the co-financing rates of the veterinary and phytosanitary programmes and of the emergency measures.

In 2023, the number of outbreaks of Highly Pathogenic Avian Influenza continues to be very high. The Commission currently assumes that the 2023 outbreaks would be at the same level as in 2021/22, with about EUR 200 million of eligible costs per year. At the new averaged co-financing rate of 25%, the EU co-financing needs would amount to EUR 50 million. The SMP Food chain work programme annually foresees an amount of EUR 19 million for emergency measures, and therefore an estimated additional amount of EUR 31 million from the internal strand of the SEAR would be needed for the SMP Food Chain strand - budget line 03 02 06 in 2023.

II.2

a) Heading

06 05 01 - Union Civil Protection Mechanism

b) Figures at 15/05/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	188 005 975,00	275 000 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	188 005 975,00	275 000 000,00
4 Appropriations already used	86 965 558,62	5 385 839,86
5 Appropriations available (3-4)	101 040 416,38	269 614 160,14
6 Increase requested	55 000 000,00	55 000 000,00
7 Total appropriations up to year end (5+6)	156 040 416,38	324 614 160,14
8 Increase as percentage of appropriations in budget (6/1)	29,25 %	20,00 %
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	1 463 567,23	1 463 567,23
2 Appropriations available on 15/05/2023	1 358 567,23	509,45
3 Implementation rate [(1-2)/1]	7,17 %	99,97 %

d) Detailed grounds for the increase

Increased activation in 2022

The requests for assistance and resulting emergency response operations under the UCPM have doubled in 2022 compared to the previous year, with a total of 232 activations, due to a particularly severe forest fires season and the enormous needs for assistance linked to the war in Ukraine, which is the longest largest, and most complex UCPM operation ever.

Outlook for 2023

1. Türkiye, Syria and Sudan

The year 2023 has started very harshly, with the devastating earthquakes in Türkiye and Syria – requiring a very significant contribution from the UCPM on behalf of the EU. This is now being followed by requests of repatriation of EU citizens linked to the conflict in Sudan. In total, these and other UCPM interventions are expected to require EUR 60 million in 2023.

2. Forest fires

The wildfire season 2023 has already started with many winter and spring fires in Portugal, northern Spain, the Pyrenees region, Romania, the Balkans and southern Ireland. Persistent drought conditions and above average temperatures are foreseen until September in large parts of the European continent.

The worrying trend of previous years of record numbers of fires is therefore expected to continue. In 2023, a full mobilisation of national and EU capacities is expected, including the prepositioning of firefighting teams that proved to be extremely useful and successful in 2022. Costs are expected to double compared to the average of the 2017-2021 period, reaching EUR 22,5 million.

3. Ukraine

Humanitarian needs related to Ukraine remain very high, particularly in the area of medical aid and medical evacuations. The UCPM emergency response to the war in Ukraine continues being channelled through several hubs for logistics (pooling and transporting in-kind assistance) and for medical aid. The contract for the most important hub in Poland was extended until end November 2023. The Medevac hub in Poland is very active and contracts for medical evacuation flights of Ukrainian patients with Norway have been renewed. Moreover, an energy hub has been created to channel the energy equipment donated to Ukraine. Expenses include the transport of energy items necessary to the repairs and functioning of the energy infrastructure.

In this context, the existing level of assistance to Ukraine of around EUR 6,5 million per month needs to be continued in the coming months. Based on current forecasts, this can be covered by the appropriations still available from the 2022 reinforcements.

Need for reinforcement

An amount of EUR 27,5 million is currently available for the 2023 UCPM response. The overall implementation rate of commitment appropriations is close to 70%, and full implementation is expected by mid-July. The Commission therefore proposes a reinforcement of EUR 55 million from the internal strand of the SEAR.

The Commission will keep the evolution of the needs under close review. Depending on further developments, it may propose a further reinforcement of the UCPM, in particular for Ukraine.

ANNEX

COMMISSION TRANSFER PROPOSALS RELATED TO THE SOLIDARITY AND EMERGENCY AID RESERVE IN 2023

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2023, which relate to the Solidarity and Emergency Aid Reserve (SEAR), and the remaining amount under the SEAR reserve following the approval of these proposals.

Commitment Appropriations 2023 Reserve (EUR)								
Transfer Ref	Content	TOTAL	carried over	voted budget	Internal (excluding EUSF)	EUSF	External	End-of-Year Cushion (25%)
	General Budget 2023 - Initial appropriations	1.324.897.000	0	1.324.897.000	149.050.912	496.836.375	347.785.463	331.224.250
	General Budget 2023 - EUSF advances (Article 4a EUSF Regulation)	-50.000.000		-50.000.000		-50.000.000		
DEC 03	Mobilisation of the SEAR for the food crises in Africa and in Yemen as well as the multisectoral crisis in Venezuela	185.000.000		185.000.000			185.000.000	
DEC 05	Mobilisation of the SEAR for the humanitarian assistance in Türkiye, Syria, Ukraine, DRC, Ethiopia and Lake Chad	162.785.463		162.785.463			162.785.463	
DEC 09	Mobilisation of the SEAR for UCPM and SMP food chain	86.000.000		86.000.000	86.000.000			
	Total DEC transfer proposals	433.785.463	0	433.785.463	86.000.000	0	347.785.463	0
	Remainder	841.111.537	0	841.111.537	63.050.912	446.836.375	0	331.224.250