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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	23 March 2022
To:	Mr Bruno LE MAIRE, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 08/2022 within Section III - Commission - of the general budget for 2022

Delegations will find attached Commission document DEC 08/2022.

Encl.: DEC 08/2022



EUROPEAN COMMISSION

BRUSSELS, 23/03/2022

GENERAL BUDGET - 2022
SECTION III - COMMISSION TITLE: 06

TRANSFER OF APPROPRIATIONS N° DEC 08/2022

FROM

CHAPTER - 0604 European Union Recovery Instrument (EURI)

ARTICLE - 06 04 01 European Union Recovery Instrument (EURI) -- Payment of
periodic coupon and redemption at maturity

Non-Diff

-70 000 000,00

TO

CHAPTER - 0605 Union Civil Protection Mechanism (rescEU)

ARTICLE - 06 05 01 Union Civil Protection Mechanism (rescEU)

Commitments

70 000 000,00

Payments

50 000 000,00

CHAPTER - 0607 Emergency support within the Union

ARTICLE - 06 07 01 Emergency support within the Union

Payments

20 000 000,00

I. DECREASE

I.1

a) Heading

06 04 01 - European Union Recovery Instrument (EURI) -- Payment of periodic coupon and redemption at maturity

b) Figures at 17/03/2022

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	140 000 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	140 000 000,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	140 000 000,00
6 Decrease proposed	70 000 000,00
7 Total appropriations up to year end (5-6)	70 000 000,00
8 Decrease as percentage of appropriations in budget (6/1)	50,00 %
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)

	Non-Diff
1 Appropriations available at start of the year	0,00
2 Appropriations available on 17/03/2022	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

EUR 140 million in commitment and payment appropriations are available in 2022 under the EURI interest line. After reviewing its projections, the Commission proposes to reduce the 2022 appropriations by EUR 70 million in commitment and payment appropriations.

The costs allocated to the Union budget are determined based on the Commission Implementing Decision (EU) 2021/1095 establishing the methodology for allocating cost related to borrowing and debt management operations under NextGenerationEU. The costs borne by the 2022 Union budget include the cost of funding for disbursements made to the Union budget in the course of 2021 and the costs of liquidity management in 2021. At this point in time, the Commission is able to estimate with higher confidence the cost of funding and the liquidity management cost that will be charged to the Union budget during the year 2022. Therefore, the EUR 70 million of appropriations that will remain available on the line after the transfer are considered sufficient to cover the costs and absorb any modest changes that may still occur until the end of the year.

In line with the unilateral statement of the Commission on budgetary prudence with regard to the EURI interest line (Budget 2022 Conciliation), the Commission will propose to mobilise in years 2024-2027 to the benefit of the EURI line an amount corresponding to the present reduction, to be made available under the Single Margin Instrument.

II. INCREASE

II.1

a) Heading

06 05 01 - Union Civil Protection Mechanism (rescEU)

b) Figures at 17/03/2022

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	101 254 030,00	100 547 220,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	101 254 030,00	100 547 220,00
4 Appropriations already used	29 274 233,50	21 160 075,05
5 Appropriations available (3-4)	71 979 796,50	79 387 144,95
6 Increase requested	70 000 000,00	50 000 000,00
7 Total appropriations up to year end (5+6)	141 979 796,50	129 387 144,95
8 Increase as percentage of appropriations in budget (6/1)	69,13 %	49,73 %
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	1 255 286,47	79 129,48
2 Appropriations available on 17/03/2022	1 255 286,47	0,00
3 Implementation rate [(1-2)/1]	0,00 %	100,00 %

d) Detailed grounds for the increase

Following the escalation of Russia's invasion of Ukraine, the Union Civil Protection Mechanism (UCPM) has been activated on the basis of the requests for assistance from the frontline EU Member States (MSs), as well as from Ukraine and Moldova, to coordinate and deliver immediate assistance to refugees and transport operations of goods and equipment offered by MSs to Ukraine. The amount of urgently needed assistance offered and delivered under the UCPM during the first weeks of the crisis has been unprecedented.

However, the humanitarian situation is experiencing a dramatic deterioration, calling for additional actions to prevent more extreme consequences. The magnitude of the needs goes beyond the resources available under the UCPM and is estimated at EUR 105 million at this stage. An amount of EUR 35 million will be redeployed within the UCPM. Therefore, the present transfer proposes to reinforce the line by EUR 70 million in commitment appropriations and EUR 50 million in payment appropriations that will allow continuing financing assistance operations in relation with the Ukraine crisis in the coming months.

The proposed reinforcement will finance the following response activities:

1. The establishment and operability of UCPM cargo hubs in Poland, Romania and Slovakia. This will cover warehousing, maintenance and replenishment for in-kind assistance, fuel and pharmaceuticals, with several logistics points in the three countries, including cost of personnel for pooling the MS assistance and local transport costs from the hub to Ukraine;
2. Transport operations to deliver in-kind assistance from MSs to Ukraine, to affected neighbouring countries (Moldova, Poland and Slovakia) and to UCPM logistics hubs;
3. Medevac - medical evacuation of an estimated 1 000 Ukrainian patients to those MS that have confirmed their availability to accommodate them;
4. The deployment of Emergency medical teams (EMT type 1 and 2). There are currently six available EMTs registered in the European Civil Protection Pool.

The Commission is closely monitoring the situation in Ukraine and the subsequent evolution of the needs for assistance. Should the situation continue to deteriorate and last for a longer period, a further budgetary reinforcement might be necessary in the near future.

II.2

a) Heading

06 07 01 - Emergency support within the Union

b) Figures at 17/03/2022

	Payments
1 Appropriations in budget (Initial Budget + AB)	8 100 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	8 100 000,00
4 Appropriations already used	4 544 043,32
5 Appropriations available (3-4)	3 555 956,68
6 Increase requested	20 000 000,00
7 Total appropriations up to year end (5+6)	23 555 956,68
8 Increase as percentage of appropriations in budget (6/1)	246,91 %
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)

	Payments
1 Appropriations available at start of the year	22 719 885,85
2 Appropriations available on 17/03/2022	22 548 739,72
3 Implementation rate $[(1-2)/1]$	0,75 %

d) Detailed grounds for the increase

The payment appropriations available on this line will be soon exhausted. The reinforcement of EUR 20 million will be used to cover measures started in 2021 and not yet paid, for example, actions linked to the digital COVID certificates.

Later in the year (depending on the due date of payment), an additional reinforcement will be needed to cover the contribution to vaccine doses in favour of third country vaccination. The additional appropriations will be pooled via autonomous and/or budget authority transfers.