DRAFT AMENDING BUDGET No 5
TO THE GENERAL BUDGET 2020

Continuation of the support to refugees and host communities in response to the Syria crisis in Jordan, Lebanon and Turkey
Having regard to:

– the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

– Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (…)¹, and in particular Article 44 thereof,

– the general budget of the European Union for the financial year 2020, as adopted on 27 November 2019²,

– amending budget No°1/2020³, adopted on 17 April 2020,

– amending budget No°2/2020⁴, adopted on 17 April 2020,

– draft amending budget No°3/2020⁵, adopted on 15 April 2020,

– draft amending budget No°4/2020⁶, adopted on 30 April 2020,


**CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION**

The changes to the general statement of revenue and section III are available on EUR-Lex (https://eur-lex.europa.eu/budget/www/index-en.htm).

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¹ OJ L 193, 30.7.2018.
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EXPLANATORY MEMORANDUM

1. INTRODUCTION

The purpose of Draft Amending Budget (DAB) No 5 for the year 2020 is to continue providing support to refugees and host communities in response to the Syria crisis. Under the MFF heading 4 Global Europe, EUR 100 million in commitment and payment appropriations will be provided as resilience support to refugees and host communities in Jordan and Lebanon whereas EUR 485 million in commitment appropriations and EUR 68 million in payment appropriations will be provided to ensure the continuation of the urgent humanitarian support to refugees in Turkey.

2. RESILIENCE SUPPORT TO REFUGEES AND HOST COMMUNITIES IN JORDAN AND LEBANON

In 2020, the conflict in Syria has entered into its 10th year. With no immediate end in sight, this crisis continues to threaten the stability of the entire region, in particular its neighbouring countries Jordan and Lebanon which are hosting the largest number of refugees per capita in the world. Both countries have displayed extraordinary solidarity with refugees from the conflict in Syria. Already struggling with complex domestic situations, they continue to need assistance in view of the protracted nature of the crisis. The EUR 214 million allocated for resilience support in response to the Syria crisis for Lebanon and Jordan for 2020 is already fully committed. As long as there are no conditions for a safe return of the refugees, the EU’s assistance continues to be essential, helping to maintain stability in complex environments on the ground. In addition, the impact of Covid-19 has added a complex new dimension to the already difficult situation of countries hosting large numbers of refugees. Lebanon is facing an acute economic and financial crisis, with the Government defaulting on a Eurobond repayment and announcing that it will restructure all its foreign and domestic currency denominated bonds. The current level of debt is approximately 170 % of GDP and recent data indicates that the economy contracted by 6.9 % in 2019. In Jordan, the Covid-19 crisis is likely to push the country from weak growth into a deep recession, impeding domestic and external demand, in particular in the tourism sector, which accounts for around 11 % of GDP. The crisis will also exert pressure on public spending, further worsening Jordan’s fiscal position.

Therefore, EUR 100 million in new commitment and payment appropriations is urgently needed to fund projects in the areas of access to education, support to livelihoods and provision of health, sanitation, water and waste services and social protection to host communities and refugees (Syrian refugees and Palestinian refugees from Syria) in Jordan and Lebanon.

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Name</th>
<th>Commitment appropriations</th>
<th>Payment appropriations</th>
</tr>
</thead>
<tbody>
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<td>Section III – Commission</td>
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<tr>
<td>22 04 01 03</td>
<td>Mediterranean countries — Confidence building, security and the</td>
<td>100 000 000</td>
<td>100 000 000</td>
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<tr>
<td></td>
<td>prevention and settlement of conflicts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100 000 000</td>
<td>100 000 000</td>
</tr>
</tbody>
</table>

3. URGENT HUMANITARIAN SUPPORT TO REFUGEES IN TURKEY

Under the EU-Turkey Statement, the Commission and Member States committed in two tranches EUR 6 billion in EU assistance to refugees in Turkey for 2016-2019, delivered through the Facility for Refugees in Turkey. The operational envelope of this funding has been committed in full and contracting will be finalised in the course of 2020. Disbursements reached EUR 3.2 billion as of end-April 2020.
The second tranche of EUR 3 billion has been programmed to ensure Facility sustainability and a
gradual managed take-over of Facility-funded initiatives by the Turkish authorities. However, Turkish
authorities are not yet able to provide provide cash assistance to the most vulnerable of the
approximately 4 million refugees in Turkey in the medium- to long-term. At the March 2019 EU-
Turkey Association Council, Turkey requested EU support beyond the Facility to support refugees.
Several Member States also asked to continue support to refugees in Turkey in recent months.

In this context, there is an urgent need to provide EUR 485 million to fund the continuation of the two
main EU humanitarian support actions, the Emergency Social Safety Net (ESSN) and the Conditional
Cash Transfer for Education (CCTE).

- The ESSN provides monthly cash transfers to some 1.7 million refugees and is expected to run out
  of money in March 2021 at the latest. EUR 400 million is needed to extend it until end 2021.
  Many complex issues such as revision of targeting criteria and implementation of the strategic
  transition to development programming require timely consultation and coordination with Turkish
  authorities and Implementing Partners. For this reason and in order to prepare the contracting in
time, the commitment would need to be made by summer 2020.

- The CCTE provides cash to refugee families whose children attend school instead of working. The
current contract ends in October 2020. EUR 85 million is urgently needed in order to allow the
programme to run for an additional year and up to the end of December 2021.

The support staff for these two humanitarian projects were previously financed from Member States’
bilateral contributions under the Facility for Refugees in Turkey. Since it is now proposed to fully
finance the continuation of the contracts by the EU budget, there will be a need to continue to finance
from the EU budget the contract agents directly involved in the implementation. It is estimated that 15
FTEs (full-time equivalent) contract agents will continue to be needed from 2021 for 3 years for the
full implementation and financial follow-up. The budget for these staff, and their number, will be ring-
fenced within the administrative support expenditure of the programme.

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Name</th>
<th>Commitment appropriations</th>
<th>Payment appropriations</th>
</tr>
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<td>23 02 01</td>
<td>Delivery of rapid, effective and needs-based humanitarian aid and food assistance</td>
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<td>68 000 000</td>
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<td><strong>Total</strong></td>
<td></td>
<td><strong>485 000 000</strong></td>
<td><strong>68 000 000</strong></td>
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</table>

In addition, humanitarian projects in protection, health and education in emergencies will end in
summer 2020. EU 50 million will be provided from within the existing 2020 budget for humanitarian
aid to continue those activities for an additional year.

EUR 68 million in payment appropriations are requested in order to cover pre-financing under the
CCTE in 2020.

4. **FINANCING**

All redeployment possibilities under heading 4 *Global Europe* have been exhausted. The unallocated
margin under this heading of EUR 103,4 million allows the financing of EUR 100 million in
commitment appropriations to support for resilience to host communities in Jordan and Lebanon. The
remaining portion of this margin (EUR 3,4 million) is however insufficient to cover the urgent
humanitarian support to refugees in Turkey.
Therefore, the Commission proposes to mobilise the Contingency Margin, the last resort special instrument, for the balance (EUR 481.6 million), with a corresponding offset against the margins available in 2020 under heading 5 Administration (EUR 16.2 million) and heading 2 Sustainable growth: natural resources (EUR 465.3 million).\footnote{COM(2020) 422, 3.6.2020.}
## 5. SUMMARY TABLE BY MFF HEADING

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<td>CA</td>
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<td>Margin</td>
<td>Ceiling</td>
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<tr>
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<td>Of which under global margin for commitments</td>
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<td>2 392 402 163</td>
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<td>2 951 000 000</td>
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<tr>
<td></td>
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<td>10 274 196 704</td>
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<td>Of which offset against Contingency margin</td>
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<td>Of which under Flexibility Instrument</td>
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<td>Of which under global margin for commitments</td>
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<td>2 662 000 000</td>
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<td>Of which under Contingency margin</td>
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<td>Ceiling</td>
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<td>690 998 208</td>
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<td>155 446 104 125</td>
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COM (2020) 421

### Information Note

1. **Proposal**

DRAFT AMENDING BUDGET No 5 TO THE GENERAL BUDGET 2020 Continuation of the support to refugees and host communities in response to the Syria crisis in Jordan, Lebanon and
Turkey

2. Date of Commission document
03/06/2020

3. Number of Commission document
421

4. Number of Council document:
N/A

5. Dealt with in Brussels by
Budget Committee

6. Department with primary responsibility
Department of Finance

7. Other Departments involved
N/A

8. Background to, Short summary and aim of the proposal
The purpose of Draft Amending Budget (DAB) No 5 for the year 2020 is to continue providing support to refugees and host communities in response to the Syria crisis. Under the MFF heading 4 Global Europe, €100 million in commitment and payment appropriations will be provided as resilience support to refugees and host communities in Jordan and Lebanon whereas €485 million in commitment appropriations and €68 million in payment appropriations will be provided to ensure the continuation of the urgent humanitarian support to refugees in Turkey.

9. Legal basis of the proposal
Having regard to:
- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (...), and in particular Article 44 thereof,
- the general budget of the European Union for the financial year 2020, as adopted on 27 November 2019,
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- draft amending budget No°3/2020, adopted on 15 April 2020,
- draft amending budget No°4/2020, adopted on 30 April 2020,

10. Voting Method
QMV

11. Role of the EP
Co-Decision

12. Category of proposal
Some significance
13. Implications for Ireland & Ireland's Initial View
Ireland will contribute to the EU Budget on the basis of its share of the EU Budget. Ireland is supportive of DAB 5/2020 as it is important to demonstrate our commitment to supporting refugees.

There is no direct impact on the Irish public, but indirectly through Ireland’s share to the EU Budget.

15. Have any consultations with Stakeholders taken place or are there any plans to do so?
No

16. Are there any subsidiarity issues for Ireland?
No

17. Anticipated negotiating period
The written procedure was launched on 17 June 2020 and was completed on 24 June 2020. All delegations, except for Cyprus, voted in favour of the adoption of Council's position on DAB No 5/2020. This will now be brought to the European Parliament.

18. Proposed implementation date
This Decision shall enter into force on the day of its publication in the Official Journal of the European Union.

19. Consequences for national legislation
N/A

20. Method of Transposition into Irish law
N/A

21. Anticipated Transposition date
N/A

22. Consequences for the EU budget in Euros annually
All redeployment possibilities under heading 4 (Global Europe) have been exhausted. The unallocated margin under this heading of €103.4 million allows the financing of €100 million in commitment appropriations to support for resilience to host communities in Jordan and Lebanon. The remaining portion of this margin (€3.4 million) is however insufficient to cover the urgent humanitarian support to refugees in Turkey.
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23. Contact name, telephone number and e-mail address of official in Department with primary responsibility

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Date 25/06/2020