



# Partners Conference 2014

## Humanitarian Budget 2014-2015

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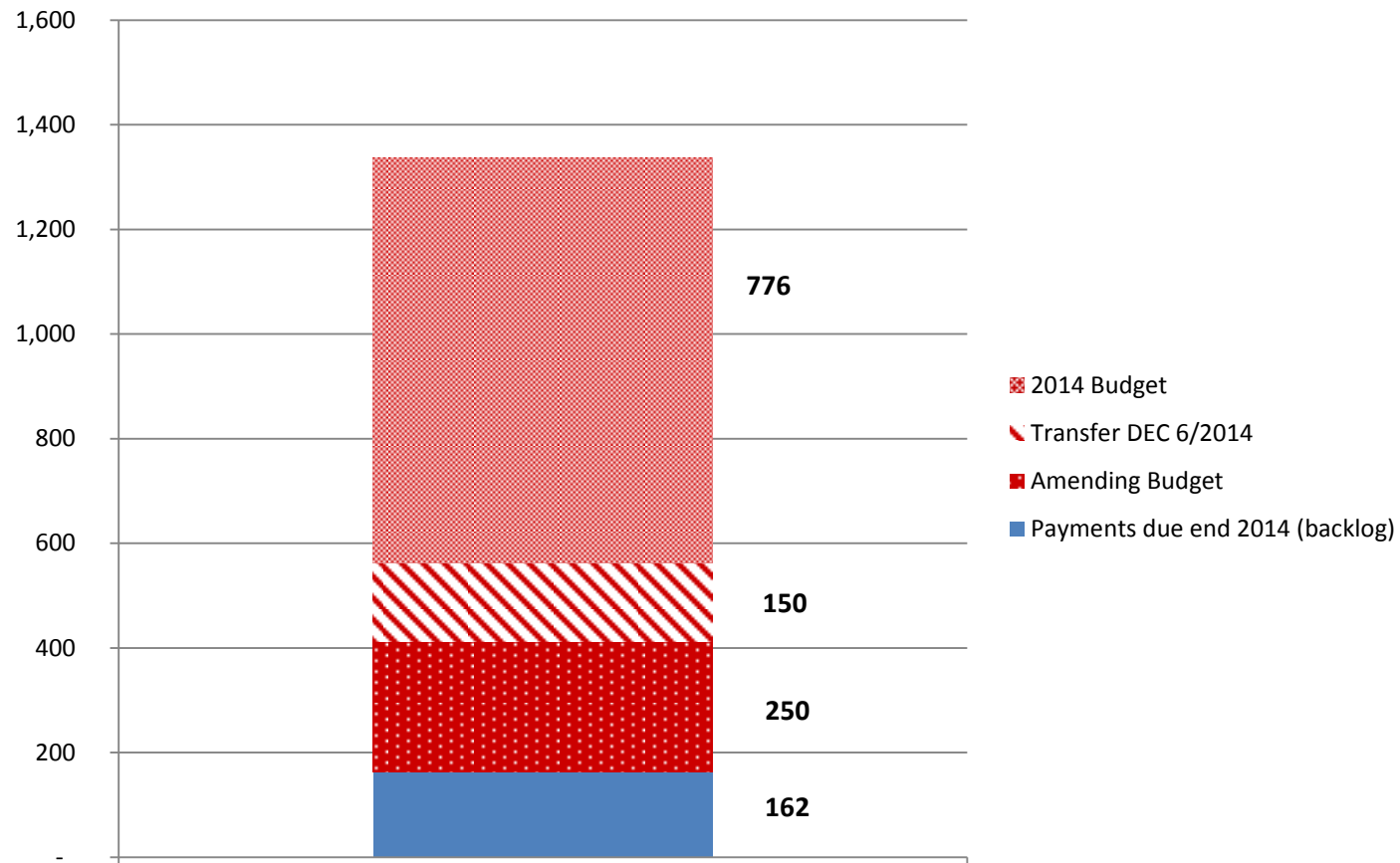
## Reminder

**EUR 400 M** in extra payments were considered necessary in 2014:

- **EUR 150m were received by transfers**
- **EUR 250m requested through Amending Budget 3/2014 currently under negotiation**

For **2015** our aim is to receive **equal payment and commitment credits** (for both the normal budget and the Emergency Aid Reserve) so as not to exasperbate the backlog of unpaid bills

# Budgetary sources to cover payment needs in 2014 (€ M)



# **Implementation of the Budget 2014**

- **Commitment to implement the WWD 2014 in full**
- **2 phase contracting**
- **1<sup>st</sup> phase pre-financing for NGOs 80%, for IOs 40%**
- **2<sup>nd</sup> phase pre-financing for NGOs 50%, for IOs 40%**
- **Reduction in duration/amounts (in some cases)**
- **Some (but less) reinforcements mid-year**
- **Outstanding pre-financing for NGOs paid by end 2014**

# Budget 2015

## Commission's Objectives:

- **Convince all stakeholders (other Commission's services, Parliament, Member States, etc.) of the *exceptional nature* of humanitarian assistance**
- **Payment credits = commitment credits**
- **Emergency Aid Reserve**
  - **considered 'outside' MFF payment ceilings**
  - **payment credits = commitment credits (accepted by Council in its reading of the budget)**

# **Status of budget negotiations**

## **Budget 2015**

- **After failure of conciliation procedure, new COM proposal this week**
- **New conciliation procedure – Adoption 17/12 in EP**
- **In case of non adoption: application of provisional twelfths (in January: around EUR 80 M per month in payments)**
- **Consequence: payment of backlog delayed, new contracts delayed until May/June or adoption of 2015 budget**

# Budget 2014-2015 - Stocktaking

- **No deal before 17 December...**
- **ECHO's position within the package is positive**
- **Package as a whole is in question...**
- **Worst case scenario (1/12ths):**
  - unpaid invoices will be paid first
  - Launch of the 2015 WWD contracting later in year
  - ECHO likely to keep reduced pre-financing for all ECHO partners

# **New elements?**

- **More regional approach to HIPs – more flexibility**
- **Avoid 2 stage approach! Only one set of contracts to launch 2015 WorldWide Decision**
- **Smaller proportion of funds to be programmed in 2015 WWD and larger proportion to be kept in Operational Reserve to respond to unfolding events**
- **Use Mid Term Review to trigger limited 'programming' of Operational Reserve in June**
- **Innovative funding (EDF moneys, transferred funds to manage from MS (e.g. UK, France) , LRRD Trust Funds (CAR, Syria)**