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COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	16 April 2013
to:	Mr Brian HAYES, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 07/2013 within Section III - Commission - of the general budget for 2013

Delegations will find attached Commission document DEC 07/2013.

Encl.: DEC 07/2013



EUROPEAN COMMISSION

BRUSSELS, 15/04/2013

GENERAL BUDGET - 2013
SECTION III - COMMISSION TITLES 23, 40

TRANSFER OF APPROPRIATIONS N° **DEC 07/2013**

EUR

FROM

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments	- 65 000 000
Payments	- 19 500 000

TO

CHAPTER - 2302 Humanitarian aid including aid to uprooted people, food aid and disaster preparedness

ARTICLE - 23 02 01 Humanitarian aid

Commitments	65 000 000
Payments	19 500 000

I. INCREASE

a) Heading

23 02 01 - Humanitarian aid

b) Figures at 25/03/2013

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	560 551 000	512 545 722
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
3. Final appropriation for the year (1A+1B+2)	560 551 000	512 545 722
4. Utilisation of final appropriation	523 300 000	248 037 717
5. Amount not used/available (3-4)	37 251 000	264 508 005
6. Requirements up to year-end	102 251 000	284 008 005
7. Increase proposed	65 000 000	19 500 000
8. Increase as percentage of appropriation in budget (7/1A)	11.60%	3.80%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) 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. Appropriation available at start of year	147 052	129 073
2. Appropriation available on the 25/03/2013	145 445	0
3. Rate of utilisation [(1-2)/1]	1.09%	100.00%

d) Detailed grounds for the increase

On 15 March 2013 the overall implementation rate of the humanitarian aid budget line was at 92.3% in commitments and 39.4% in payment appropriations.

This high implementation rate is in conformity with the operational strategy and budgetary planning for 2013 established by the Commission and which was presented to the Council Working Party on Humanitarian and Food Aid (COHAFA). Based on its humanitarian needs assessment, the Commission establishes for the protracted crises a preliminary budget allocation at country and regional level for the year ahead. For 2013 this budget allocation for Syria and affected neighbouring countries amounts to EUR 20 million for humanitarian aid. In line with the Council and European Parliament orientations, at least 15% of the initial operational budget line remains unallocated to address changing priorities and new emerging needs.

Applying this methodology the unallocated amount (operational reserve) of the initial humanitarian aid budget was initially set at EUR 96 million (some 17% of the annual amount). Until mid-March, an amount of EUR 59 million has been used mainly for the crises in Mali (EUR 22 million), Syria (EUR 15 million) and to respond to other crises and disasters in various countries and regions (Nigeria, Philippines, Central African Republic, Central America/Mexico, etc.). An additional amount of EUR 12 million was also used for the Humanitarian Implementation Plan (HIP) Horn of Africa. Taking into account reassigned revenues for some EUR 3 million, the balance of the Operational Reserve as of mid-March 2013 stands at only EUR 28 million.

The scale of the Syria disaster goes beyond the purpose of the Humanitarian aid operational reserve and the Commission needs to maintain an adequate intervention capacity for further interventions in the multiple small scale and other unpredictable disasters that might occur until the end of 2013. The reserve level is already very low (EUR 28 million) to cope with the coming year ahead. As a comparison, at the same period in 2012, the Humanitarian aid operational reserve was at EUR 68 million.

The initial EUR 20 million allocated in the 2013 Syria HIP and a further EUR 15 million allocated from the operational reserve are clearly not sufficient to cover the escalating needs of the affected populations.

For these reasons, a reinforcement of EUR 65 million is requested in order to meet the additional needs and, at the same time, ensure a proper future intervention capacity.

Given the current level of payment appropriations on the humanitarian aid line, the Commission has limited its request to EUR 19.5 million (around one third of the amount in commitments). Taking account of implementation, and possibilities for redeployment later in the year, this amount may need to be supplemented at a later date.

This transfer request is accompanied by two other requests (Mali and Sahel/Chad) for transfer from the Emergency aid reserve, following the changes in the Financial Regulation (Article 29.2). The Commission is therefore submitting a separate proposal for each emergency action.

For further details on the use of funds and on the latest developments of the humanitarian situation in Syria, please refer to the annex.

II. DECREASE

a) Heading

40 02 42 - Emergency aid reserve

b) Figures at 25/03/2013

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	264 115 000	80 000 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
3. Final appropriation for the year (1A+1B+2)	264 115 000	80 000 000
4. Utilisation of final appropriation	0	0
5. Amount not used/available (3-4)	264 115 000	80 000 000
6. Requirements up to year-end	n/a	n/a
7. Proposed decrease	65 000 000	19 500 000
8. Decrease as percentage of appropriation in budget (7/1A)	24.61%	24.38%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) 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. Appropriation available at start of year	0	0
2. Appropriation available on the 25/03/2013	0	0
3. Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detail grounds for the transfer

The Emergency Aid Reserve (EAR) is intended to allow a rapid response to the specific aid requirements of third countries following an event which could not be foreseen when the budget was established. The EAR is first and foremost for humanitarian operations, but also for civil crisis managements and protection where circumstances so require (Point 25 of the Inter-Institutional Agreement signed on 17 May 2006).

SYRIA AND SYRIAN REFUGEES IN NEIGHBOURING COUNTRIES

Key financial information	
Previous year: total amount in 2012	EUR 155 732 843
Amount in the World Wide Decision 2013	EUR 20 million
Additional (already approved) credits from the Operational Reserve from the 2013 Budget	EUR 15 million
Other EU Funding (European Neighbourhood and Partnership Instrument, Instrument for Stability, European Instrument for Democracy and Human Rights, Development Cooperation Instrument, Instrument for Pre-accession Assistance) for 2012-2013	EUR 123 million
Other donors	Syria and Syrian refugees in neighbouring countries: USD 279 million in 2013 (source United Nations Office for the Coordination of the Humanitarian Affairs (UN OCHA) Financial Tracking Service (FTS)) for the 5 main donors: United States, Germany, Kuwait, Saudi Arabia and United Kingdom.

Additional needs	
Total needs	EUR 65 million
When are the credits needed	May 2013
Breakdown by country (if applicable)	Not applicable
Financed from	Emergency Aid Reserve

Why do we need additional funding?

Two years after the start of the conflict, the violence is intensifying inside Syria and according to UN OCHA more than 4 million people are in urgent need of humanitarian assistance because of the Syrian conflict. In neighbouring countries (Jordan, Lebanon, Turkey, Iraq and Egypt) governments and humanitarian organisations face huge difficulties to meet the most essential needs of the refugees.

The most important new elements since the beginning of the year are:

- The number of refugees stands now at almost one million, that is, it doubled in 3 months' time. More than 220 000 Syrians left the country during the month of February alone, which means more than 7 000 people arriving in Jordan, Lebanon, Turkey and Iraq every single day. Others make their way to Egypt and Europe. Three quarters of the refugees are women and children. Initial United Nations High Commissioner for Refugees (UNHCR) estimates had projected that 1 million of Syrians would be refugees by June 2013. With the recent rates this figure was already reached by early March. Based on current trends, by December 2013 Lebanon would host 4.4 million refugees – more than its population – and Jordan 3.4 million – more than half its population.
- The number of food insecure people inside Syria has increased to 3 million. As from April 2013, the World Food Program (WFP) will scale up its food assistance to reach 2.5 million beneficiaries in all 14 Syrian Governorates.
- The number of internally displaced persons has increased by 75% from 2 million to 3.6 million, of whom only 5% are hosted in collective shelters.

- There is an ever increasing concern about 500 000 Palestinian refugees living in Syria. After the fighting in Yarmouk camp (December 2012), the majority of those living there left to other areas of Damascus. Only 20 000 Palestine refugees remain in what is now a very insecure camp, once home to 150 000. Many left to Lebanon (30 000) and Jordan (4 000). 400 000 Palestinians are now in need of humanitarian assistance, according to United Nations Relief and Works Agency (UNRWA). Half of them are internally displaced (IDPs).
- The Syrian regime seems to be holding while the opposition is trying to structure itself under the umbrella of the Syrian Opposition Coalition (SOC). The development of an opposition-led humanitarian response constitutes a second pole of the response, and an alternative to the official one that has failed to reach all populations in need. The risk to see humanitarian aid instrumentalised is increasing.

According to the Commission's contingency planning, the most likely evolution that could be foreseen includes:

- Resources of the host communities in Syria and in the host countries will be soon exhausted. Everywhere in the region, food, fuel and rental prices are rising quickly, with a direct impact on local economies. The Syria crisis might increasingly act as a destabilizing factor in both Lebanon and Jordan. Sectarian violence is developing in Lebanon. The continuous influx of Syrians is increasing the burden on host communities and is expected to fuel sectarian tensions.
- Water borne diseases are developing. Water, sanitation and hygiene (WASH) and health sectors are trying to mobilize resources to address a typhoid outbreak reported in Deir Ezzor; 2 500 cases were reported over the past 3 months. Cases of Hepatitis A and Leshmaniasis have been reported as well.
- Access remains very complex. The International Committee of the Red Cross (ICRC) and the UN developed cross lines operations. But this should not blur the overall picture: many visas for humanitarian expatriates are still on hold, International Non-Governmental Organisations cannot reach some areas of operations (like Deir Ezzor for instance where travel permits are systematically denied for alleged security reasons). Aid agencies continue to face significant constraints in reaching people in need with persisting security constraints adding to persistent administrative impediment.
- Increased portions of territory are under temporary or permanent control of the opposition, particularly in the North of the country. The number of tented settlements along the Turkish border is rising. Immediate emergency life-saving assistance targeting the IDPs and their host communities need to be scaled-up. Humanitarian access to rebel-controlled areas will require building up acceptance and is logistically very complex. Assistance should be coordinated based on thorough assessments to cover the needs of vulnerable Syrians on both sides of the border with Turkey.
- The Syrian Humanitarian Assistance Response Plan (SHARP) and the Regional Refugee Plan (RRP) are underfunded. Both are six month plans (from 1 January till 30 June 2013). The SHARP requests USD 520 million and is 21% funded as of 6 March. The RRP requests USD 1 billion and is 19% funded as of 6 March. A High-Level Pledging Conference for Syria in Kuwait City (30 January) raised pledges of over USD 1.5 billion. Only 20% of the USD 1.5 billion pledged has arrived so far. This conference focused exclusively on the humanitarian crisis with a fundraising objective.
- For its last funding assessment round (31 January 2013), the Commission received requests for funding from humanitarian intermediaries for a total amount of EUR 255 million. The number of refugees and IDPs are growing at a much faster pace than the funds needed to help them.

In conclusion, the current request of EUR 65 million would respond to the increasing estimated needs until the summer, bearing in mind that additional aid may be necessary for the subsequent months, depending on the evolution of the situation.

What for?

The additional funding will allow addressing the increased needs, *inter alia*, in terms of food, protection, WASH, shelter, rent assistance, medical supplies, psychosocial support and nutritional items. It aims at supporting Syrian IDPs, Syrian refugees in neighbouring countries, Palestinian and Iraqi refugees in Syria, and Lebanese and Iraqi returnees. It will also allow enlarging the humanitarian footprint and presence of implementing partners. Priorities will include:

- Distribution of food and non-food items.
- Strengthen needs assessment mechanisms, monitoring capacities and inter agency coordination and information sharing.
- Reinforce operational capacities of implementing organisations in Syria to provide emergency relief and adapt the nature of the aid to address recurrent needs of the displaced population (left with no resources and no income-generating activity, with no prospect for a positive evolution in the mid-term).
- Advocate with the Syrian Arab Red Crescent (SARC) and all possible channels for a strengthened presence of international humanitarian workers on the ground, to provide technical support to SARC and local actors and ensure impartial delivery of aid.
- Request that UN agencies are properly staffed and managed, led by senior emergency specialists able to deal with the context complexity.
- Build up response capacities outside Syria, in order to avoid further population displacements and support Syrian refugees in neighbouring countries.

Overview of existing and planned assistance

The joint humanitarian aid EU (Commission and Member States) effort as encoded in Emergency and Disaster Response Information System (EDRIS) amounts to EUR 441 966 million and is detailed below:

EU Member States and Commission's contributions (2011-2013)*	
Donor	Commitments in EDRIS ¹ Total (cash and in-kind)
Austria	EUR 3 730 000
Belgium	EUR 7 500 000
Bulgaria	EUR 142 524
Czech Republic	EUR 818 363
Denmark	EUR 3 421 997
Estonia	EUR 420 000
Finland	EUR 5 847 418
France	EUR 13 814 068
Germany	EUR 61 941 287
Greece	EUR 100 000
Hungary	EUR 179 067
Ireland	EUR 6 300 000
Italy	EUR 6 943 685
Latvia	EUR 43 000
Lithuania	EUR 14 481
Luxembourg	EUR 2 001 239
Netherlands	EUR 21 950 000
Poland	EUR 1 016 577
Romania	EUR 155 850

¹ EDRIS – European Disaster Response Information System

EU Member States and Commission's contributions (2011-2013)*	
Donor	Commitments in EDRIS¹ Total (cash and in-kind)
Slovakia	EUR 190 000
Spain	EUR 60 000
Sweden	EUR 3 705 852
United Kingdom	EUR 16 130 271
Total Member States	EUR 85 540 592
EU Budget**	EUR 241 966 271
Total EU	EUR 200 000 000

* The most recently announced funding allocations by EU Member States are not yet reflected in the above-mentioned table.

** This amount includes an allocation of EUR 6 million for Iraqi refugees in Syria and EUR 3.3 million for Palestinian refugees in Lebanon.