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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 05/2013 within Section III - Commission - of the general budget for 2013

Delegations will find attached Commission document DEC 05/2013.

Encl.: DEC 05/2013



BRUSSELS, 15/04/2013

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

TRANSFER OF APPROPRIATIONS N° **DEC 05/2013**

EUR

FROM

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments	- 12 000 000
Payments	- 3 500 000

TO

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

ARTICLE - 23 02 01 Humanitarian aid

Commitments	12 000 000
Payments	3 500 000

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
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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
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5. Amount not used/available (3-4)	37 251 000	264 508 005
6. Requirements up to year-end	49 251 000	268 008 005
7. Increase proposed	12 000 000	3 500 000
8. Increase as percentage of appropriation in budget (7/1A)	2.14%	0.68%
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 Mali amounts to EUR 10 million for humanitarian aid and EUR 10 million for food 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 needs in Mali 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 Mali HIP have been programmed in full and a further EUR 22 million has been allocated from the operational reserve. These amounts are clearly not sufficient to cover the escalating needs due to political and terrorist insecurity and food shortages exacerbated by the increase in basic food stuff prices.

For these reasons, a reinforcement of EUR 12 million is requested from the Emergency Aid Reserve (EAR).

Given the current level of payment appropriations on the humanitarian aid line, the Commission has limited its request to EUR 3.5 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 (Sahel/Chad and Syria/Syrian refugees) 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 humanitarian situation in Mali, 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
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3. Final appropriation for the year (1A+1B+2)	264 115 000	80 000 000
4. Utilisation of final appropriation	0	0
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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	12 000 000	3 500 000
8. Decrease as percentage of appropriation in budget (7/1A)	4.54%	4.38%
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).

MALI

Key financial information	
Previous year: total amount in 2012 (Emergency Decision and Mali in the Humanitarian Implementation Plan (HIP) for Sahel 2012)	EUR 58 million
Amount in the World Wide Decision 2013	EUR 20 million
Additional (already approved) credits from the Operational Reserve from the 2013 Budget of which: Humanitarian Implementation Plan (revision) Emergency Decisions Additional credits from the Emergency Aid Reserve (EAR)	EUR 22 million
Other EU Funding (Development cooperation, etc.)	
Other donors (<i>source Financial Tracking Service (FTS) as of 06/03/2013</i>)	EUR 51 096 364

Additional needs (as of 14 March 2013)	
Total needs	EUR 12 million
When are the credits needed	Now
Breakdown by country (if applicable)	Not applicable
Financed from	EAR

Why do we need additional funding?

Since the start of the military intervention on 11th January 2013 in Northern Mali to resolve the political crisis in the country, the on-going military operations have expanded further north and facilitated access for humanitarian aid to more victims. This has vastly increased the humanitarian caseload with over 1 million people now accessible and in desperate need of assistance in the health, water, food and protection sectors. The initial EUR 20 million allocated in the 2013 Mali HIP have been quickly programmed and contracted and a further EUR 22 million have been allocated from the humanitarian aid budget operational reserve. Humanitarian aid needs continue increasing. Prior to their retreat from the main towns, jihadist groups looted cereal banks and health centres in numerous locations. Food insecurity has deteriorated further in particular by the closure of the Algerian border which has reduced commercial trade and market activity in northern regions of Mali. Fighting and the presence of improvised explosive devices have also disrupted commercial traffic along the main cereal supply routes to the north. Markets in general are under-stocked or closed. Prices have increased drastically (millet from 275 to 380 FCFA/kg; rice from 350 to 460 FCFA/kg; fuel from 600 to 1000 FCFA/litre).

The International Committee of the Red Cross (ICRC) and the World Food Program (WFP) are implementing a massive food assistance operation from January to October 2013, in response to the evolving situation. Both the WFP and the ICRC have already requested a major budget increase from the initial 2013 plan. The overall United Nations (UN) appeal for Mali has now risen to USD 386 million of which only 15% has been pledged (FTS).

Population movements, as a result of conflict following the military intervention, are being reported in all regions. The Office for Coordination of Humanitarian Affairs has reported 21 645 new refugees (as of 11 February). The International Organisation of Migration is reporting 15 715 additional internally displaced people (IDPs) from North to South and 2,309 from South to North. This brings the total number of IDPs to over 260 000 and the total number of refugees to date to over 170 000. However, information remains incomplete and not fully up to date due to insecurity and access constraints.

There are limited numbers of returns so far. Many IDPs have expressed willingness to return home but only when security conditions permit. This extra caseload of returning population will have to be included into ongoing projects that the Commission has been funding since the beginning of the crisis in northern regions. There are additional needs in the health, nutrition and food assistance sectors.

What for?

An additional amount of EUR 12 million will address additional needs linked to the consequences of the military intervention in Mali: up-scaling of existing projects, mainly in the health and nutrition sectors, will improve the response to the additional caseload expected with the return of IDPs and replacing stocks looted by jihadist before leaving (EUR 3 million). Food assistance interventions in the northern regions will be supported through the ICRC (EUR 5 million) and the WFP (EUR 2 million). Measures to strengthen humanitarian access to northern regions (transport, demining, civil-military coordination) will be supported with an amount of EUR 2 million.

Overview of existing and planned assistance

The EU Member States' contributions as encoded in the Commission's database Emergency and Disaster Response Information System (EDRIS) amount to EUR 51 096 million and are detailed below:

EU Member States to Mali as indicated in EDRIS¹ 2012 - 2013	
Donor	Commitments in EDRIS Total (cash and in-kind)
Austria	EUR 1 700 000
Belgium	EUR 450 000
Czech Republic	EUR 277 200
Denmark	EUR 1 782 327
Estonia	EUR 50 000
Finland	EUR 1 100 000
France	EUR 3 654 573
Germany	EUR 8 395 000
Hungary	EUR 28 185
Ireland	EUR 340 000
Luxembourg	EUR 3 225 453
Netherlands	EUR 8 041 864
Poland	EUR 340 351
Slovakia	EUR 20 000
Spain	EUR 2 064 676
Sweden	EUR 4 503 109
United Kingdom	EUR 15 123 626
Total Member States	EUR 51 096 364

¹ EDRIS – European Disaster Response Information System