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**COVER NOTE**

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from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	5 July 2013
to:	Mr Algimantas RIMKŪNAS, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 19/2013 within Section III - Commission - of the general budget for 2013

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Delegations will find attached Commission document DEC 19/2013.

Encl.: DEC 19/2013



## EUROPEAN COMMISSION

BRUSSELS, 01/07/2013

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

### TRANSFER OF APPROPRIATIONS N° DEC 19/2013

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EUR

#### **FROM**

**CHAPTER** - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments	- 15 000 000
Payments	- 8 000 000

#### **TO**

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

ARTICLE - 23 02 01 Humanitarian aid

Commitments	15 000 000
Payments	8 000 000

## I. INCREASE

### a) Heading

#### 23 02 01 - Humanitarian aid

### b) Figures at 19/06/2013

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	560 551 000	512 545 722
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	77 000 000	23 000 000
3. Final appropriation for the year (1A+1B+2)	637 551 000	535 545 722
4. Utilisation of final appropriation	620 400 000	490 525 378
<b>5. Amount not used/available (3-4)</b>	<b>17 151 000</b>	<b>45 020 344</b>
<b>6. Requirements up to year-end</b>	<b>32 151 000</b>	<b>53 020 344</b>
<b>7. Increase proposed</b>	<b>15 000 000</b>	<b>8 000 000</b>
8. Increase as percentage of appropriation in budget (7/1A)	2.68%	1.56%
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 19/06/2013	145 445	0
3. Rate of utilisation $[(1-2)/1]$	1.09%	100.00%

### d) Detailed grounds for the increase

At 19 June 2013 the overall implementation rate of the humanitarian aid budget line (23 02 01) stood at 97.3% for commitment appropriations and 91.6% for payment appropriations.

This high implementation rate follows from the operational strategy and budgetary planning for 2013 established by the Commission, which has been presented to the Council Working Party on Humanitarian Aid and Food Aid (COHAFA) and the Committee on Development (DEVE) of the European Parliament. Based on its humanitarian needs assessment, the Commission establishes, for the protracted crises, a preliminary budget allocation at country level for the year ahead. 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 (operational reserve).

Therefore, the unallocated amount of the humanitarian aid budget in commitment appropriations was initially set at EUR 96 million (around 17% of the annual amount). By early June, an amount of EUR 87 million had been used mainly for the crises in Mali and Syria, and to respond to other crises and disasters in various countries and regions (Nigeria, Philippines, Central African Republic, Central America/Mexico, etc.). Finally, taking into account assigned revenues of some EUR 3 million, the operational reserve for Humanitarian Aid stands at only EUR 12 million.

The scale of the current humanitarian needs in the Democratic Republic of Congo (DRC) and the Central African Republic (CAR) goes beyond the availabilities of the operational reserve. The Commission needs to maintain an adequate response capacity for further interventions in the multiple small-scale and other unpredictable disasters that might occur until the end of 2013. The reserve level as it currently stands after nearly 6 months of operations is already too limited to cope with the needs in the coming months, notably the current crises where the Commission needs to intervene: the conflict in Pakistan, the Horn of Africa (refugees, epidemics, drought, internally-displaced persons (IDPs)), the conflict in Sudan/South Sudan/Chad and the food crisis in Sahel.

Therefore, reinforcement of EUR 15 million in commitment appropriations from the Emergency Aid Reserve (EAR) is requested in order to respond to these two interlinked crises in DRC and CAR, and to ensure a proper future intervention capacity of the Humanitarian Aid Instrument.

With respect to payment appropriations, the request (EUR 8 million) is limited by the severe constraint on payment appropriations, and represents a very conservative first pre-financing of 53%, compared to the normal pre-financing rate for humanitarian operations of 80%.

In parallel to this request, there is another request for transfer from the EAR (DEC 18) for the mobilisation of EUR 70 million in commitment appropriations and EUR 37 million in payment appropriations, as well as other redeployments within heading 4 for the Syrian crisis.

For further details on the use of funds and on the humanitarian situation in DRC and CAR, please refer to the attached annex.

## II. DECREASE

### a) Heading

#### 40 02 42 - Emergency aid reserve

### b) Figures at 19/06/2013

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	264 115 000	80 000 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	-115 000 000	-35 000 000
3. Final appropriation for the year (1A+1B+2)	149 115 000	45 000 000
4. Utilisation of final appropriation	0	0
5. <b>Amount not used/available (3-4)</b>	<b>149 115 000</b>	<b>45 000 000</b>
6. <b>Requirements up to year-end</b>	<b>n/a</b>	<b>n/a</b>
7. <b>Proposed decrease</b>	<b>15 000 000</b>	<b>8 000 000</b>
8. Decrease as percentage of appropriation in budget (7/1A)	5.68%	10.00%
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 19/06/2013	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).

## DEMOCRATIC REPUBLIC OF CONGO AND CENTRAL AFRICAN REPUBLIC

Key financial information	
Previous year: total amount in 2012 Humanitarian Implementation Plan (HIP):Democratic Republic of Congo (DRC) + Regional Decision	EUR 72.2 million
Previous year: total amount in 2012 HIP Central African Republic (CAR)	EUR 8 million
Amount in the World Wide Decision (WWD) 2013: DRC/Great Lakes CAR	EUR 54 million EUR 8 million
Additional (already approved) credits from the Operational Reserve of which: : HIP CAR (Revision March 2013) Emergency Decision From the Emergency Aid Reserve (EAR)	EUR 4 million
Other EU funding:	
DRC – from EU Budget	EUR 180 million
CAR – from EU Budget	EUR 21.8 million
Member Status funding for DRC and CAR	EUR 136 684 618
Other donors (source United Nations Office for the Coordination of the Humanitarian Affairs Financial Tracking Service (UN OCHA FTS) at 30.05.2013)	
DRC	EUR 311 328 621
CAR	EUR 45 223 800

Additional needs (as of 1 June 2013)	
Total needs	EUR 15 million
When are the credits needed	July/August 2013
Breakdown by country (if applicable)	
DRC	EUR 10 million
CAR	EUR 5 million
Financed from	Emergency Aid Reserve (EAR)

**Why do we need additional funding? (What is new?)**

The additional EUR 15 million should enable to keep pace with the increasing needs, in particular related to:

In the case of the DRC:

- The influx of Central African refugees into northern Equateur and Orientale province (the Congolese government has accorded them "prima facie" refugee status). At the request of the Good Humanitarian Donorship group, the United Nations High Commissioner for Refugees (UNHCR) – which takes the lead in all refugee crises – has presented to the Commission its response strategy. Given the situation along the border and the infiltration of armed Central African fractions (Forces Armées Centrafricaines (FACA) and Séléka), a proposal has been made to house the refugees on three sites - two in Equateur and the third in Orientale Province. The land has been made available by the Congolese authorities and is currently being developed.

- The deployment of the United Nations Intervention Brigade and the redeployment of the Congolese loyalist forces (Forces Armées de la République démocratique du Congo (FARDC)) risks sparking new outbreaks of violence, particularly in North and South Kivu. This concern is already gaining credence in the wake of the repositioning of the various armed fractions and renewed harassment over the civilian population. Similar developments are evident in (northern and eastern) Orientale province. The military manoeuvres on the ground will inevitably lead to further population displacements.
- The situation in Katanga is steadily worsening, both in security and health terms, resulting in continuing population displacements, with people either forced to flee or deciding to resettle elsewhere. Despite the Commission's plea to other donors, the response remains weak, both when it comes to assisting displaced persons/returnees and to helping fight the cholera and malnutrition. Humanitarian presence in this province is less solid than in the Kivus.
- The worsening of the measles, cholera and malaria epidemics throughout the region linked both to the massive population movements and to the lack of structural development, is giving increased cause for concern. The Ministry of Health does not have the resources (particularly technical and human) to take rapid action (despite the fact that funding is being mobilised).

In the case of the CAR (post putsch of 24 March 2013):

- In the wake of the current state crisis, the humanitarian crisis has spread throughout the country, and in particular to the most populated areas, including the city of Bangui. Despite the Commission's plea to other donors, the Consolidated Appeals Process (CAP) is currently funded to the tune of 32%, although its review should help boost the funding available to cover priority needs.
- The Séléka crisis broke during the period of soil preparation, seriously jeopardising the farming season and causing further damage to an already fragile and dysfunctional healthcare system, exposing the most vulnerable members of the population to malnutrition and malaria.
- The formal or *de facto* suspension of the majority of the Linking Relief Rehabilitation and Development or development projects (Commission, World Bank, etc.) has dealt a severe blow to areas which were beginning to edge their way out of the crisis. In this unstable, fragile environment, the Commission's efforts in the food security sector will help limit the risk of a major food crisis during the carry-over period in 2014.
- Although the Rapid Response Mechanism (RRM) was designed to cope with the needs of 20 000 people, the gravity of the current crisis is such that the system will need to be bolstered if it is to keep functioning.

## What for?

In the Democratic Republic of the Congo, the additional funds will be used to step up the response, particularly in terms of: (i) protection; (ii) healthcare, including medicines; (iii) non-food items (NFIs) and shelters; (iv) water, sanitation and hygiene (WASH); (v) food and nutrition.

These funds will be used to restock the "pipelines" which are in place to deal with and provide basic assistance (including protection) to refugees and displaced persons should new crises emerge. They will also be used to provide assistance in the form of medicines and medical equipment as part of epidemic control measures.

The funding will be allocated as a matter of priority to northern Equateur and to the eastern part of the DRC. However, a certain degree of flexibility shall be retained in case of new expulsions from Angola (which could affect the Kasais) or fresh epidemics (including epidemics other than measles, cholera and malaria) elsewhere in the country.

This request takes account of the access constraints in the east and in Equateur from both security and logistics point of view. It is based on the latest developments on the ground and the deterioration of the climate in general (rise in security incidents engendering new population movements (see the influx of refugees from the CAR), rise in measles and malaria alerts and the increase in the number of cholera cases, etc.). On the other hand, it does not take account of the powder keg situation in the eastern part of the DRC and the potential involvement of neighbouring countries, or of a more significant deterioration of the situation in the CAR with a resurgence of the Lord's Resistance Army (LRA) in Orientale province and a revival of ethnic conflict both in Equateur and in the Kivus and Katanga.

In the Central African Republic, the funds required will be used in the main to step up the response in terms of (i) health and nutrition, including the purchase of inputs; (ii) food security, including the setting-up of projects to transfer funds; (iii) NFIs and shelter, in particular by providing increased support to the RRM; (iv) protection; (v) WASH and (vi) bolstering the operational capacity of the partners (logistics, air transport and coordination). The upgrading of road infrastructure to help guarantee humanitarian access could also be considered. After an analysis of the humanitarian needs assessments conducted by partners, the additional funding will be used mainly to support life-saving response.

### **Other relevant information**

For the DRC, the 2013 Humanitarian Action Plan (HAP) totals USD 891 million, 36% of which has already been financed. The International Committee of the Red Cross (ICRC) has already increased its call for CHF 58 million to CHF 68 million. The HAP is currently under review and is likely to be awarded additional support at the end of June. In 2012, the HAP totalled USD 791 million, over 70% of which was financed. Between 2012 and 2013, the situation continued to deteriorate, both in the east and in Equateur, and a tendency towards ghettoisation is becoming increasingly widespread in Katanga, the Kivus, Orientale province and Equateur.

In the case of the CAR, the 2013 Humanitarian Action Plan totals USD 136,2 million, 32% of which has already been financed. The HAP is currently under review and is likely to be accorded additional support at the end of June. In 2012, the HAP totalled USD 124 million, 59% of which was financed.

### **Overview of existing and planned assistance**

The joint (Commission and Member States) EU humanitarian aid effort as encoded in the Emergency and Disaster Response Information System (EDRIS) amounts to EUR 270 184 6188 million (update from 6 June 2013) and is detailed below:



EU Member States and ECHO contributions to DRC and CAR crisis as indicated in EDRIS (2012 – 2013)	
<u>Donor</u>	<u>Contributions input in EDRIS</u> <sup>1</sup>
	<u>2011-2013</u>
Belgium	EUR 17 668 274
Czech Republic	EUR 316 049
Denmark	EUR 266 760
Estonia	EUR 150 000
France	EUR 5 513 826
Finland	EUR 11 177 000
Germany	EUR 24 949 820
Ireland	EUR 13 030 000
Italy	EUR 1 634 237
Luxembourg	EUR 3 787 071
Netherlands	EUR 5 529 057
Spain	EUR 4 323 534
Sweden	EUR 48 338 990
<b>Total Member States</b>	<b>EUR 136 684 618</b>
<b>EU Budget</b>	<b>EUR 133 500 000</b>
<b>Total EU</b>	<b>EUR 270 184 618</b>

<sup>1</sup> EDRIS – European Disaster Response Information System