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COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	27 June 2012
to:	Mr Bjarne CORYDON, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC21/2012 within Section III - Commission - of the general budget for 2012

Delegations will find attached Commission document DEC21/2012.

Encl.: DEC21/2012



EUROPEAN COMMISSION

BRUSSELS, 25/06/2012

GENERAL BUDGET - 2012

SECTION III - COMMISSION TITLES 01, 15, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 21/2012

EUR

FROM

CHAPTER - 0103 International economic and financial affairs

ARTICLE - 01 03 02 Macroeconomic assistance

Commitments	- 57 000 000
Payments	- 29 700 000

CHAPTER - 1502 Lifelong learning, including multilingualism

ARTICLE - 15 02 03 Cooperation with third countries on education and vocational training

Commitments	- 3 976 000
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CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments	- 19 024 000
Payments	- 10 300 000

TO

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

ARTICLE - 23 02 01 Humanitarian aid

Commitments	70 000 000
Payments	35 000 000

ARTICLE - 23 02 02 Food aid

Commitments	10 000 000
Payments	5 000 000

On 12 June 2012 the overall implementation rate of commitment appropriations of the humanitarian aid chapter (23 02) was at 93.7%.

This high implementation rate is in conformity with the operational strategy and budgetary planning for 2012 established by the Commission and which was presented to the Development Committee (DEVE) of the European Parliament and to the meeting of 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 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.

Applying this methodology the unallocated amount of the initial operational reserve was initially set at EUR 152 million. The humanitarian aid budget was further reinforced with EUR 65 million of funds from the Emergency Aid Reserve (EAR) for interventions in the Sahel region.

The amount of the operational reserve and the reinforcement from the EAR (EUR 175 million and including reassigned revenue of EUR 2.5 million) have been used for the following new or worsening disasters:

- EUR 90 million for the Sahel food crisis, including EUR 65 million drawn from the EAR;
- EUR 20 million for the crisis in Syria;
- EUR 20 million in Pakistan to cope with the consequences of the 2011 monsoon and the conflict in the country;
- EUR 45 million for other natural disasters or worsening crises, such as Yemen, the follow-up of the 2011 floods in South-East Asia, the conflict in northern Mali.

As of today the unallocated amount of the operational reserve available for further interventions in new or worsening crises sits at EUR 44 million.

The currently requested budgetary reinforcement in the total amount of EUR 80 million in commitment appropriations and EUR 40 million in payment appropriations will be used to provide humanitarian assistance for the following crises:

- Sudan/South Sudan: the crisis has significantly deteriorated since mid-April 2012 following a dramatic escalation of tensions between Sudan and South Sudan. It is estimated that another EUR 40 million will be needed to face the increased needs in the coming months;
- Yemen: the deterioration of the humanitarian situation continues with an increase in the number of internally displaced persons in the South as well as the acute malnutrition of children. The additional assistance to be provided by the Commission's humanitarian aid and food aid budget lines is estimated at EUR 20 million;
- Syria: Given the continuing fighting and violence in the country, the humanitarian scenario in Syria will inevitably deteriorate further in the coming months. On the basis of needs assessment, the Commission is requesting through this transfer an additional EUR 20 million.

The scale of these disasters goes beyond the purpose of the operational reserve and an adequate intervention capacity needs to be maintained for further interventions in the multiple small scale and other unpredictable disasters that might occur during the second semester of the year.

Therefore, a reinforcement of EUR 70 million in commitment appropriations will be needed under the humanitarian aid budget line (23 02 01) and EUR 10 million in commitment appropriations is needed under the food aid budget line (23 02 02).

The request for payment appropriations is EUR 40 million corresponding to 50% of the amount requested in commitment appropriations in order to allow already for the pre-financing payments. The remainder will be covered by the current payment appropriations available on the budget lines concerned. Supplementary payment appropriations might be requested later in the year.

The Emergency Aid Reserve (EAR) has already been mobilised for a total amount of EUR 65 million in commitment appropriations in order to respond to the food crisis in Sahel.

Having examined all possibilities for reallocations within heading 4, the Commission proposes to meet the above-mentioned needs in the following manner:

- EUR 60.976 million in commitment appropriations and EUR 29.7 million in payment appropriations from redeployment within heading 4.
- EUR 19.024 million in commitment appropriations and EUR 10.3 million in payment appropriations from the EAR.

As the situation in Syria is most likely to further escalate and lead to a civil war, this could cause long lasting displacement of hundreds of thousands of people within Syria and to neighbouring countries (Lebanon, Jordan, Palestine, Turkish border). Therefore, additional appropriations might be needed before the end of the year.

For a detailed description of the context and the planned use of the funds, please see Annexes 1, 2 and 3.

I. INCREASE

I.A

a) Heading

23 02 01 - Humanitarian aid

b) Figures at 18/06/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	553 261 000	518 574 685
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
3. Final appropriation for the year (1A+1B+2)	553 261 000	518 574 685
4. Utilisation of final appropriation	544 328 264	230 591 577
5. Amount not used/available (3-4)	8 932 736	287 983 108
6. Requirements up to year-end	78 932 736	322 983 108
7. Increase proposed	70 000 000	35 000 000
8. Increase as percentage of appropriation in budget (7/1A)	12.65%	6.75%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	n/a	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments	Payments
1. Appropriation available at start of year	449 190	188 817
2. Appropriation available on the 18/06/2012	432 949	33
3. Rate of utilisation [(1-2)/1]	3.62%	99.98%

d) Detailed grounds for the increase

Please see the justification provided in the introduction.

I.Ba) Heading**23 02 02 - Food aid**b) Figures at 18/06/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	251 580 000	230 602 367
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	25 000 000	0
3. Final appropriation for the year (1A+1B+2)	276 580 000	230 602 367
4. Utilisation of final appropriation	246 383 740	140 081 165
5. Amount not used/available (3-4)	30 196 260	90 521 202
6. Requirements up to year-end	40 196 260	95 521 202
7. Increase proposed	10 000 000	5 000 000
8. Increase as percentage of appropriation in budget (7/1A)	3.97%	2.17%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	n/a	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments	Payments
1. Appropriation available at start of year	392 627	0
2. Appropriation available on the 18/06/2012	389 098	0
3. Rate of utilisation [(1-2)/1]	0,90%	n/a

d) Detailed grounds for the increase

Please see the justification provided in the introduction.

II. DECREASE

II.A

a) Heading

01 03 02 - Macroeconomic assistance

b) Figures at 18/06/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	95 550 000	79 050 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
3. Final appropriation for the year (1A+1B+2)	95 550 000	79 050 000
4. Utilisation of final appropriation	48 316	30 241 758
5. Amount not used/available (3-4)	95 501 684	48 808 242
6. Requirements up to year-end	38 501 684	19 108 242
7. Proposed decrease	57 000 000	29 700 000
8. Decrease as percentage of appropriation in budget (7/1A)	59.65%	37.57%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	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 18/06/2012	0	0
3. Rate of utilisation [(1-2)/1]	n/a	n/a

d) Detail grounds for the transfer

Due to the unstable political situation in Egypt, there have been progressive delays in agreeing an Egypt - International Monetary Fund financial arrangement to support Egypt's economic programme. Since such an agreement is a pre-condition for granting European Union Macro-Financial Assistance (MFA) to Egypt and given the time needed for adoption of the corresponding Commission proposal by the Council and the European Parliament under the legislative co-decision procedure, the Commission has reached the conclusion that the commitment of the planned EUR 50 million grant to Egypt is not anymore feasible before the end of this year. This postponement may consequently add to the planned pipeline of MFA-operations in 2013. A further EUR 7 million of commitment appropriations that have not been allocated to any planned programme in 2012 can also be made available.

The payment appropriations for the planned Egypt operation amount to EUR 25 million in 2012. As they equally cannot be used this year they may likewise add to the payments under MFA-operations in 2013. A further EUR 4.7 million in payment appropriations that has not been allocated to any planned programme can also be made available.

In total, EUR 57 million (EUR 50 million + EUR 7 million) in commitment appropriations and EUR 29.7 million (EUR 25 million + EUR 4.7 million) in payment appropriations under budget line 01 03 02 'Macroeconomic assistance' are therefore made available for transfer to budget lines 23 02 01 'Humanitarian aid' and 23 02 02 'Food aid'.

II.B

a) Heading

15 02 03 - Cooperation with third countries on education and vocational training

b) Figures at 18/06/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	9 000 000	7 636 472
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
3. Final appropriation for the year (1A+1B+2)	9 000 000	7 636 472
4. Utilisation of final appropriation	118 000	2 176 775
5. Amount not used/available (3-4)	8 882 000	5 459 697
6. Requirements up to year-end	4 906 000	5 459 697
7. Proposed decrease	3 976 000	0
8. Decrease as percentage of appropriation in budget (7/1A)	44.18%	0.00%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	n/a	n/a

c) Receipts arising from recovery (carried over) (C5)

	Commitments	Payments
1. Appropriation available at start of year	66 565	66 565
2. Appropriation available on the 18/06/2012	66 565	0
3. Rate of utilisation $[(1-2)/1]$	0,00%	100.00%

d) Detail grounds for the transfer

The bilateral agreements with the United States (US) and Canada in the field of education and vocational training are based, to the extent possible, on a matching funds principle. As the US and Canada budgets are annual ones (unlike the multiannual financial programming of the EU), yearly variations in appropriations on the US or Canadian side inevitably lead to variations on the EU side.

Since 2011, the US government and the authorities of Canada have substantially reduced their budgets for international cooperation in education and training and have cancelled the funding of bilateral cooperation projects under the bilateral agreements. Due to the lack of matching funding from the two partner countries, no new calls for proposals will be made using this budget line in 2012. Thus only a limited number of actions will be financed in 2012, including the Schuman-Fulbright scheme with the US and the EU-Canada Study Tour and Internship Programme.

Therefore, the unused commitment appropriations for an amount of EUR 3 976 000 on this line can be released for redeployment.

II.C

a) Heading

40 02 42 - Emergency aid reserve

b) Figures at 18/06/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	258 937 000	90 000 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	-65 000 000	0
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3. Final appropriation for the year (1A+1B+2)	193 937 000	90 000 000
4. Utilisation of final appropriation	0	0
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5. Amount not used/available (3-4)	193 937 000	90 000 000
6. Requirements up to year-end	174 913 000	79 700 000
7. Proposed decrease	19 024 000	10 300 000
8. Decrease as percentage of appropriation in budget (7/1A)	7.35%	11.44%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 23(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 17a of the implementing rules	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 18/06/2012	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).

A reinforcement of EUR 19 million in commitment appropriations and EUR 10.3 million in payment appropriations is requested.

SUDAN/SOUTH SUDAN

Key financial information	
Previous year: total amount in 2011	EUR 140 million
Amount in the World Wide Decision 2012	EUR 87 million
Additional (already approved) credits from the Operational Reserve of which: Humanitarian Implementation Plan (revision) Emergency Decisions Additional credits from the Emergency Aid Reserve (EAR)	
Amount already contracted	EUR 56.65 million
Balance to be contracted	EUR 30.35 million (which should be contracted by end of June)
Of which already earmarked	EUR 30.35 million
Other EC funding (Development Cooperation, etc.)	EUR 330 million for South Sudan (2011-2013); EUR 151 million for Sudan (2011-2013)

Additional needs (as of 8 June 2012)	
Total needs	EUR 40 million
When are the credits needed	Now (June)
Breakdown by country (if applicable)	South Sudan: EUR 35 million Sudan: EUR 5 million
Financed from	Reprioritisation in External Actions and EAR

Why do we need additional funding? (what is new?)

The amount of Commission's World Wide Decision for 2012 for Sudan/South Sudan managed by DG ECHO was initially EUR 87 million. The working assumptions that were in place at the time of this initial allocation have been mostly overtaken by several events at the political and security levels which mount to:

- a) a dramatic escalation of tensions between Sudan and South Sudan, with open hostilities between the two countries, and
- b) an exacerbation of internal conflicts within each of the two states that are related to the overall Sudan-South Sudan tension.

The consequences on the humanitarian situation are dramatic in both countries. They are however most tangible in South Sudan where, despite logistic constraints, access is possible. The Commission has scaled up the immediate response in the border areas and to contribute (EUR 1 million) to an emergency intervention in response to the expulsion of 12 000 Southerners from Sudan.

This has so far been done through a "re-prioritisation" exercise within the allocation of EUR 87 million allowing response to the most urgent needs. So far, EUR 6 million have been "anticipated" in that manner. More funds can be "re-prioritised" in order to maximise the response in the early stages of the rainy season. However, given the logistic constraints and the delays to mobilise assistance, the continuation of operations after the rainy season must be planned from now and funds be available to face a crisis that is worsening.

Specifically, the crisis has significantly deteriorated since mid-April 2012 for the following reasons:

→ Escalation of tensions between Sudan and South Sudan with:

- failure to reach an oil deal (economic implications on both countries);
- failure to reach a deal on border demarcation and future of Abyei will maintain the 100 000 displaced in South Sudan. Progress on Abyei at the end of May 2012 could potentially lead to a return process, with the related humanitarian needs;
- failure to reach a deal on nationality and rights of respective citizens in the other country after the end of the "grace" period on 8 April 2012. Early May 2012, 12 000 Southerners stranded with their belongings in Kosti, White Nile were expelled and are currently being airlifted, at a great cost to the international community.
- escalation into open warfare between Sudan Armed Forces (SAF) and Sudan People's Liberation Army (SPLA) (Heglig, end March; SAF aerial attacks on South Sudan, March-April 2012): 20 000 new displaced within 2 weeks;
- War rhetoric on both sides and state of emergency declared in Sudan (direct impact on food security and nutritional status as border blocked to movement of people and goods).

→ Continued fighting in South Kordofan and Blue Nile and lack of progress in Darfur.

- Funding requirements for Darfur remain overall stable; however, given increase of needs elsewhere in Sudan/South Sudan, monitoring of funding by other sources will be needed to avoid major gaps.
- South Kordofan/Blue Nile: Recent fighting (since March 2012) has brought the number of internally displaced persons (IDPs) and affected populations to over 350 000. A main problem is the lack of access, but as the military offensive unfolds, partners need to be ready in case access is granted (within Government-controlled areas, or within rebel-held areas).
- Refugee numbers from Blue Nile in Ethiopia and from South Kordofan and Blue Nile in South Sudan have doubled (from 80 000 to 154 000) and conditions are worsening with newer arrivals presenting higher levels of malnutrition than before. Given the extent of conflict in South Kordofan, the refugees are not expected to return any time soon. Instead, their numbers are likely to continue to increase during the rainy season, making the response operation logistically more challenging, as numbers are now in excess of what could be prepared for.

→ Drastic deterioration of the humanitarian situation in South Sudan,

- Consequence of North-South tensions; return of Southerners; refugees from South Kordofan/Blue Nile; militia versus SPLA fighting (triggered by internal instability and destabilisation from Khartoum) and unresolved tribal fighting in Jonglei.
- Jonglei: over 60 000 (new) IDPs, situation still volatile and contributing to poor harvest, even if no more fighting takes place, impact on food security and nutritional status of the population is visible: pockets of serious levels of malnutrition being reported – this crisis will require donor attention and funding at least until the end of the year.
- Food situation worst than expected due to a combination of: poor harvest, closed border entailing higher costs, more refugees and returnees. The World Food Program estimates that this year 4.7 million people are food insecure in South Sudan, up from 3.8 million last year.

What for?

The requested additional funding will help address increased needs in terms of food, protection, water, sanitation and hygiene (WASH), shelter, medical supplies and nutritional items, for both countries (so-called "pipelines") and to reinforce the presence of partners providing basic services in key locations of South Sudan (reinforced presence in the five border states and in Jonglei; reaction capacity in the rest of the country). It would mostly be contracted in the form of cost-extensions to existing operations.

It is expected that most of the additional funding would be used in South Sudan. However, flexibility must be preserved to ensure reactivity to changing events on the ground so as allocate funds on the basis of both needs and access.

This request takes into account the access constraints in Sudan, and the capacity constraint in South Sudan. It is based on the latest developments on the ground and on the realistic trends for the next few months (escalation between North and South leading to population displacement; worsening of the situation in South Kordofan and Blue Nile leading to increasing numbers of refugees; deteriorating nutritional and food security situation, notably in South Sudan), and therefore does not cater for a massive expulsion of Southerners that would require a full-fledged air evacuation operation, nor a scenario of access opening up in Sudan (as this is unlikely unless there is a major political change). It does not foresee to respond to the food insecurity resulting from the decision of South Sudan to shut down oil production (by for instance working on urban populations) as this would constitute a bail out of the government of South Sudan's decision.

Other relevant information

South Sudan: access is possible. However, given the logistic constraints and the delays to mobilise assistance, the continuation of operations after the rainy season must be planned from now and funds be available to face a crisis that is worsening.

Sudan: humanitarian space and access are shrinking rapidly due to administrative impediments and security constraints, however due to budget constraints not all requests could be met within the initial available budget.

Neither Sudan nor South Sudan is eligible for the 10th European Development Fund (EDF) as the 10th EDF has not been ratified by Sudan. South Sudan has presented its candidature for the Cotonou Agreement and accession process is underway: if all goes well, South Sudan would become a member at the end of 2012, making it eligible to the 11th EDF.

Two special packages for a total of EUR 350 million were mobilised using 9th EDF unspent funds before 9 July 2011: the first one for conflict-affected areas of Sudan for an amount of EUR 150 million (out of which EUR 60 million for the North and EUR 90 million for Southern Sudan) and the second was for South Sudan totalling EUR 200 million. This is in addition to funding coming from thematic budget lines such as the Food Security Thematic programme and from the Stability Instrument. All in all, for South Sudan, the development aid package reaches EUR 300 million in two years. They target agriculture (EUR 122 million), primary health (EUR 61.5 million), education (EUR 41.5 million) and rule of law (EUR 45 million). The remaining amount is for human rights and non-state actions under thematic budget lines

The consequences of the situation in Sudan and South Sudan on development cooperation are mainly relevant to the EUR 200 million programme in South Sudan that is expected to start in 2013 (National Indicative Programme under approval). **The EU Delegation is coordinating with the Member states a risk assessment and contingency planning exercise to be ready in the event that funds would need to be shifted from support to public institutions to direct support to the population. This would mean, in practice, that they would be used for the same purposes and in a similar way to what was done by development funds since 2005.** This is complementary to humanitarian aid efforts.

Overview of existing and planned assistance

According to the United Nations Office for Coordination of Humanitarian Affairs, the total humanitarian requirements for the crisis in Sudan and South Sudan in 2012 as described in the major interagency and government appeals are USD 1 843 670 248 of which 45% has been funded, leaving a present gap of about USD 1 billion.

The joint humanitarian aid EU effort **as encoded in the Commission's database: Emergency and Disaster Response Information System (Edris)**, which covers Commission and Member States (MS), amounts to EUR 144 million and is detailed below. This amount is most probably higher as no data has yet been encoded by several MS such as the United Kingdom:

COMMISSTION AND EU MEMBER STATES CONTRIBUTIONS TO THE SUDAN AND SOUTH SUDAN IN 2012 12/06/2012	
<u>Donor</u>	<u>Contributions input in EDRIS¹</u>
Denmark	EUR 17 890 531
Commission	EUR 87 000 000
Estonia	EUR 50 000
Finland	EUR 8 540 000
France	EUR 3 500 000
Germany	EUR 9 019 060
Ireland	EUR 2 000 000
Italy	EUR 3 000 000
Luxembourg	EUR 511 695
Sweden	EUR 12 167 284
Total	EUR 143 678 570

¹ EDRIS – European Disaster Response Information System

YEMEN

Key financial information	
Previous year: total amount in 2011	EUR 25 million
Amount in the World Wide Decision 2012	EUR 15 million
Additional (already approved) credits from the Operational Reserve	EUR 5 million
of which:	
Humanitarian Implementation Plan (new)	EUR 5 million
Emergency Decisions	
Amount already contracted	EUR 8.856 million
Balance to be contracted	EUR 11.144 million (out of which EUR 9.644 million will be contracted by end of June)
Of which already earmarked	EUR 9.644 million
Other EC funding (Development Cooperation, etc.)	EUR 71 million (2011-2013)

Additional needs	
Total needs	EUR 20 million
When are the credits needed	Now
Financed from	Reprioritisation in External Actions and Emergency Aid Reserve (EAR)

Why do we need additional funding? (what is new?)

Following the deterioration of the humanitarian situation in Yemen at the beginning of 2012 (mainly food security and nutrition), an additional EUR 5 million was released from the operational reserve in April 2012. At that time, it was expected that in the mid (3 months) to longer term (6 months), the humanitarian needs would grow even more and the absorption capacity of Commission's partners should significantly increase. The results of the Comprehensive Food Security Survey (CFSS) published by the World Food Programme (WFP) on 30 May 2012 indicate that **over 5 million Yemeni (22% of the total population) are severely food insecure.**

Information provided by the United Nations (UN) Office for the Coordination of Humanitarian Affairs (OCHA) as of end of May points out that the deterioration of humanitarian situation continues with an increase in the number of internally displaced persons (IDPs) in the South. In addition, the acute malnutrition has reached more than 1 million children. For this reason, the budget of the Consolidated Appeals Process (CAP) 2012 (initially USD 447 million) has been increased by 17% to reach USD 525 million. So far, USD 213 million has been committed.

Consequently, this requires the mobilisation of additional funds for the Commission's Humanitarian aid budget in the amount of EUR 10 million and EUR 10 million for Food aid.

What for?

The additional funding will allow addressing the increased needs in terms of food assistance, nutrition and wash, 3 sectors whose requirements have significantly increased in the revised CAP.

Some partners such as WFP, the International Committee of the Red Cross (ICRC) and the Oxford Committee for Famine Relief (OXFAM) UK have already indicated the scaling-up of their operations and therefore their needs for additional financial support.

Other relevant information

Absorption/implementation capacity

Whereas the implementation capacity of agencies in the latter part of 2011 was drastically hampered by security constraints as well as registration problems for new International Non-government Organisations (INGOs) in Yemen, it appears that **the ability for agencies (INGOs, Red Cross/Red Crescent component and UN) to absorb and utilize funds have improved**. The registration of a more a dozen new agencies (e.g. Action Contre la Faim – France (ACF-F), Acted, Merlin, the Norwegian Refugee Council (NRC) in the past six months as well as the more operational support from UN Department for Safety and Security (UNDSS) to the UN agencies has opened up new possibilities and will allow a higher implementation rate by humanitarian agencies.

Specific concerns regarding the absorption capacity are related to the dependency of the larger UN agencies on implementing partners, i.e. INGOs. Even with the increase in number of INGOs, these are likely to be requested to implement for the large UN agencies, especially the newly registered INGOs which may not be aware of the context including security.

Security/access

Security remains an area of concern. The supervision of, control over the armed forces and maintaining law and order remains problematic. The tribal divisions have become more apparent countrywide. The conflict in the North has flared up again, making access to certain areas problematic. In the south the secessionist movement remains active with regular protests, while fighting between the Jihadist Ansar Al Sharia and the governmental forces – supported by the United States of America – in Abyan governorate has intensified, making access to areas under siege, inaccessible.

WFP operations/strategy

WFP is one of the few key actors with the capacity to react in a meaningful way to the crisis by scaling up both food assistance and interventions tackling malnutrition in most affected governorates. However, the WFP's current two programmes (Emergency Operations (EMOP) and Protracted Relief and Recovery Operation (PRRO) to be merged in 2013) are implemented based on different targeting criteria and nutrition strategies. The Commission is currently in negotiations with the WFP to address these issues (e.g. 1. extension of WFP Emergency Operation to cover non-conflict related cases; 2. delivery of the necessary food and nutrition support to the most vulnerable population in the governorates identified by WFP as highly food insecure with high levels of malnutrition as soon as possible, in order to cover the hunger season from May to October; 3. Coordination with donors).

Since negotiations will take time, the Commission is not planning to offer a financial contribution to WFP at this stage, but could consider it at a later stage.

Overview of existing and planned assistance

The joint humanitarian aid EU effort as encoded in the Commission's database: **Emergency and Disaster Response Information System (Edris)**, which covers Commission and Member States, amounts to EUR 34 million and is detailed below:

COMMISSION AND EU MEMBER STATES CONTRIBUTIONS TO THE YEMEN 2012 12/06/2012	
<u>Donor</u>	<u>Contributions input in EDRIS²</u>
Commission	EUR 20 000 000
Finland	EUR 3 300 000
Germany	EUR 2 677 700
Netherlands	EUR 1 500 000
Sweden	EUR 911 958
United Kingdom	EUR 5 503 709
Total	EUR 33 893 367

² EDRIS – European Disaster Response Information System

SYRIA

Key financial information	
Previous year: total amount in 2011	EUR 0
Amount in the World Wide Decision (WWD) 2012	EUR 0
Additional (already approved) credits from the Operational Reserve of which:	EUR 20 million
Humanitarian Implementation Plan (new)	EUR 10 million
Emergency Decisions	EUR 10 million
Amount already contracted	EUR 8 million
Balance to be contracted	EUR 12 million a) EUR 2 million under the emergency decision: draft contract to be launched week of 11 June b) EUR 10 million: draft HIP to be launched week of 11 June
Of which already earmarked	EUR 6 million
Other EC funding (Development Cooperation, etc.)	EUR 23 million Special measure for Syria and Syrian refugees
Other donors	Syria and Syrian refugees in neighbouring countries: USD 80 million in 2012 (source United Nations Office for Coordination of Humanitarian Affairs: Central Emergency Response Fund, United States, Commission, Denmark, Australia)

Additional needs	
Total needs	EUR 20 million
When are the credits needed	In the course of the summer
Breakdown by country (if applicable)	
Financed from	Reprioritisation in External Actions and Emergency Aid Reserve (EAR).

Why do we need additional funding? (what is new?)

According to the Commission's contingency planning, the humanitarian scenario in Syria will continue deteriorating in the coming months. The evolution that could be foreseen includes:

- **Wide-spread guerrilla and inter-religious warfare progressively evolving towards a full-fledged civil war**, using methods of asymmetric warfare (car bombings, suicide attacks) in the main urban centres.
- The continuous fighting would continue imposing **long lasting displacement for hundreds of thousands of people** and relocation of the population along sectarian lines. Resources of the host population and livelihood, already seriously compromised, will soon be exhausted, both in Syria (especially in the north, also affected by drought) and neighbouring countries.

- The armed opposition, reinforced by increased international support (political, financial, weapons), will endure in opposing a regime left with no exit strategy.
- **The Syria crisis will increasingly affect neighbouring countries** and act as a destabilizing factor in both Lebanon and Jordan. Sectarian violence is developing rapidly in Lebanon while, in Jordan, Palestinian refugees coming from Syria are finding it more difficult to get back to a normal life. Tension is likely to remain high at the Syrian-Turkish border. The continuous influx of Syrians is increasing the burden on host communities and is expected to fuel sectarian tensions. The risk is high for Palestinians in Jordan and between Sunni and Alawites in Lebanon.
- Increased portions of territory will be under temporary or permanent control of the opposition, particularly in the North of the country. Humanitarian access to rebel-controlled areas will require building up acceptance.

In conclusion, an operational humanitarian response should be set up in the next six months to adequately respond to the substantial envisaged needs. By then, winter will be approaching and a massive amount of people will have exhausted their resources, especially host communities. Furthermore, the conflict will most likely turn into a civil war, further affecting local infrastructures and services (in particular the Syrian health system) and generating even more complex needs.

What for?

The additional funding will allow addressing the increased needs, inter alia, in terms of food, protection, water, sanitation and hygiene, shelter, medical supplies, psychosocial support and nutritional items for Syria and Syrian refugees in neighbouring countries. It will also allow enlarging the humanitarian footprint and presence of implementing partners.

Priorities will include:

- Reinforce operational capacities of implementing organisations in Syria (International Committee of the Red Cross (ICRC)/Syrian Arab Red Crescent (SARC) mainly) 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).
- Encourage capacity building of the SARC at head-quarters and branch levels.
- Strengthen needs assessment mechanisms and inter agency coordination and information sharing.
- Advocate with 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 the United Nation (UN) agencies are properly staffed and managed, led by senior emergency specialists able to deal with the context complexity.
- Consider reinforcing livelihood and building resilience of destitute herders and farmers, indirectly but severely affected by the crisis.
- Build up response capacities outside Syria, in order to avoid further population displacements and support Syrian refugees in neighbouring countries.

Other relevant information

Access:

The recent acceptance by the Government of Syria of a comprehensive humanitarian response plan proposed by the UN (to up-scale humanitarian aid for at least one million people; to open local UN offices in four regions; to use International Non-Governmental Organisations (INGOs) in the delivery of humanitarian assistance; to reduce bureaucratic/administrative obstacles) should normally lead to concrete improvements on the ground, in particular increased access for UN and INGO humanitarian workers.

Other EC funding:

Under the European Neighbourhood and Partnership Instrument (ENPI), the Commission approved on 7 June 2012 a Special Measure in favour of Syria and Syrian refugees for a total amount of EUR 23 million as follows: in Lebanon (EUR 5 million) the Special Measure will allow alleviating the medium and longer term needs of both the local population and Syrian refugees through educational support and capacity building of local institutions; in Jordan educational support (EUR 5.4 million) for displaced Syrian children and host communities is foreseen. Likewise, medium-term actions in Syria (EUR 12.6 million) will be complementary to the Commission's humanitarian aid immediate response.

All actions in this Special Measure will be implemented in close co-operation with the on-going European Union (EU) humanitarian aid, linking relief, rehabilitation and development from the very start.

Timeline for the use of the additional funding

Additional funding is needed as:

- The needs are huge and access is improving. If access becomes real for the Red Cross components, UN agencies and INGOs, the Commission's partners will be in immediate needs of increased funding.
- Most of the sectors are affected: medical (emergency health, primary health care), psychosocial support, food, non-food (including winterisation), shelter, rent assistance and possibly water and sanitation;
- International and national actors are now building up their capacities. ICRC would need EUR 8 additional million for 12 months as from 1 July 2012. The United Nations High Commissioner for Refugees (UNHCR) will publish a revised appeal for its Regional Refugee Plan (currently USD 84 million) by the end of June. The World Food Program (WFP) intends to increase its caseload to up to 850 000 beneficiaries if the authorities give their green light. The International Federation of the Red Cross and Red Crescent Societies (IFRC) is currently working on a Syrian Arab Red Crescent's capacity building agreement to be enforced as from 1 July.
- Some actors confronted to increased difficulties (e.g. the United Nations Relief and Works Agency responding to the needs of 500 000 Palestinian refugees, which are potential victims/targets of the growing sectarian tensions) would need support in the coming weeks or months.

Under these circumstances, it is reasonable to forecast minimum and urgent additional needs of up to **EUR 20 million** for the increased humanitarian needs and the compounding effect from the onset of the winter season. The uptake of the funds will be in the summer and early autumn.

Overview of existing and planned assistance

The joint humanitarian aid EU effort as encoded in the Commission's database: **Emergency and Disaster Response Information System (Edris)**, which covers Commission and Member States, amounts to EUR 34 million and is detailed below:

COMMISSION AND EU MEMBER STATES CONTRIBUTIONS TO THE SYRIA AND SYRIAN REFUGEES CRISIS IN 2012 12/06/2012	
<u>Donor</u>	<u>Contributions input in EDRIS³</u>
Austria	EUR 250 000
Belgium	EUR 2 000 000
Czech Republic	EUR 118 728
Denmark	EUR 2 831 119
Commission	EUR 20 000 000
Estonia	EUR 50 000
Finland	EUR 1 300 000
France	EUR 2 658 000
Germany	EUR 3 774 214
Greece	EUR 50 000
Hungary	EUR 46 756
Ireland	EUR 400 000
Luxembourg	EUR 500 000
Netherlands	EUR 2 000 000
Poland	EUR 352 568
Spain	EUR 405 852
Sweden	EUR 3 532 951
United Kingdom	EUR 2 392 917
Total	EUR 42 663 105

³ EDRIS – European Disaster Response Information System