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COVER NOTE

from:	Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt:	29 August 2012
to:	Mr Vassos SHIARLY, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 25/2012 within Section III - Commission - of the general budget for 2012

Delegations will find attached Commission document DEC 25/2012.

Encl.: DEC 25/2012



BRUSSELS, 29/08/2012

GENERAL BUDGET - 2012
SECTION III - COMMISSION TITLES 19, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 25/2012

EUR

FROM

CHAPTER - 1908 European Neighbourhood Policy and relations with Russia

ITEM - 19 08 01 01 European Neighbourhood and Partnership financial cooperation with
Mediterranean countries

Commitments - 11 361 400

CHAPTER - 2303 Civil Protection Financial Instrument

ARTICLE - 23 03 06 Civil protection interventions in third countries

Commitments - 4 000 000

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve

Commitments - 79 638 600

Payments - 64 000 000

TO

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

ARTICLE - 23 02 01 Humanitarian aid

Commitments 80 000 000

Payments 52 000 000

ARTICLE - 23 02 02 Food aid

Commitments 15 000 000

Payments 12 000 000

INTRODUCTION

On 17 August 2012 the overall implementation rate of commitment appropriations on the humanitarian aid chapter (23 02) was at 97.4%.

This high implementation rate is in conformity with the operational strategy and budgetary planning for 2012 established by the Commission which has been 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 and with EUR 80 million (EUR 19 million from the EAR and EUR 61 million from redeployment within Heading 4) for interventions in Sudan, South Sudan, Syria and Yemen.

The amounts of the operational reserve after the mentioned reinforcements (EUR 297 million) have been used for the following new or worsening disasters:

- EUR 90 million for the Sahel crisis to offer food assistance following the deepening drought;
- EUR 40 million for the people affected by the violence in Syria;
- EUR 25 million for Yemen , in particular for the Internally Displaced Persons (IDPs) in the South and acute malnutrition of children;
- EUR 20 million for Pakistan to cope with the consequences of the 2011 monsoon and the conflict in the country;
- EUR 40 million for humanitarian assistance in Sudan and South Sudan to cope with the consequences of the hostilities between the two countries, and the exacerbation of internal conflicts;
- EUR 48 million for other natural disasters or worsening crisis, such as the follow-up of the 2011 floods in South-East Asia, the food insecurity in Ethiopia.

As of today the unallocated amount of the operational reserve available for further interventions in new or worsening crises sits at EUR 33.5 million.

The currently requested budgetary reinforcement in the total amount of EUR 95 million will be used to provide humanitarian assistance for the following crises:

Syria: The humanitarian situation continues to deteriorate and humanitarian needs, both in Syria and neighbouring countries (Lebanon, Jordan, Turkey and Iraq) are rapidly increasing. Violence has intensified, fighting has continued to spread. On 15 July the International Committee of the Red Cross (ICRC) indicated that it now considers hostilities in Syria a civil war. The local infrastructure and services have been seriously disrupted. Furthermore, the Palestinian refugees also are becoming increasingly vulnerable and have started to be drawn into the conflict. Humanitarian aid is clearly outpaced by the speed with which new needs are created: more than 2.5 million people need immediate assistance, around 1.2 million people are internally displaced and refugee numbers are rapidly increasing. (source: United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 17 August). As a measured response to the unfolding crisis, EUR 20 million existing funds and additional EUR 20 million through budgetary reinforcements have already been allocated. This will not fully cater for the needs that are likely to emerge between now and the end of the year. Therefore, extra funding is crucial to adequately respond to the plight of Syrians. It will also be crucial to assist a consequent massive influx of refugees in the region. On the basis of needs assessment, an additional EUR 50 million should be released as soon as possible;

Pakistan: Pakistan is confronted by two major humanitarian crises at the same time. One derives from the on-going conflict in the North of Pakistan with an escalation in the military operations over the last 6 months, which have triggered the displacement of a large number of people. As of 5 August 2012, more than 741,000 people are displaced in the North. Another crisis derives from the two successive years of major flooding in the South of the country and the consequences in terms of food insecurity and malnutrition. According to the results of a National Nutrition Survey launched in September 2011, Sindh is home to the highest proportion of food-insecure people in Pakistan, with almost 72% of the population (5.8 million people) suffering from food insecurity. The current response, from the EU Budget, amounting to EUR 55 million does not allow a sustained response to both crises until the end of the year. An additional EUR 15 million are needed to address existing needs in terms of food, protection, water, sanitation, hygiene, shelter, health and nutrition in the North and food and nutrition in the South;

Horn of Africa: The drought which hit the Horn of Africa in 2010/2011 led to famine and famine like conditions in 2011 thus creating one of the biggest humanitarian crises in the world. Thanks to a massive international effort and a more favourable rain season, the situation has slightly improved. Still, the Horn remains affected by a major humanitarian crisis (13 million people affected). Currently, 9.1 million people are in need of humanitarian assistance as they have not recovered from last year's crisis. The continuing food insecurity and malnutrition is caused by the failing rainy seasons and the persistent drought, but also by factors such as the high degree of vulnerability, climate change, chronic poverty, demographic developments, structural weaknesses, inadequate infrastructure, failing markets and, most of all, the protracted conflict in Somalia and the high food prices. Although the last rainy season brought better harvests, late and erratic rains in some areas this year are causing renewed food insecurity. The humanitarian community has to continue its massive response, including emergency aid, preparedness actions and resilience and recovery activities. Challenges include rising rates of malnutrition, persistent food insecurity, water shortages and continuing flows of refugees and IDPs. The EU has funded EUR 181 million in the Horn of Africa in 2011. Its initial response in 2012 amounted to EUR 102 million, reinforced by EUR 22 million from the European Development Fund (Supporting the Horn of Africa Resilience initiative) and EUR 8 million through the use of the humanitarian aid budget operational reserve. In view of the continuing humanitarian emergency, it is estimated that another EUR 30 million will be needed to face the needs in the coming months.

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 disasters that might occur during the second semester of the year.

Therefore, a further reinforcement of EUR 95 million in commitment appropriations is needed: EUR 80 million for the humanitarian aid budget line (23 02 01) and EUR 15 million for the food aid budget line (23 02 02).

The request for payment appropriations (PA) is EUR 64 million. At this stage of the year, the level of PA on the humanitarian aid budget lines is clearly decreasing and the Commission needs to pay EUR 64 million following the latest budgetary reinforcement (DEC 21)¹, for which EUR 40 million in PA were requested, as well as the pre-financing (normally 80%) for the current request. A lower amount of PA could seriously endanger the EU Budget's ability to respect its commitments.

The Emergency Aid Reserve (EAR) has already been mobilised for a total amount of EUR 84 million in commitment appropriations in order to respond to the food crisis in Sahel and the needs for Sudan, South Sudan, Syria and Yemen.

Having examined all possibilities for reallocations within Heading 4, the Commission proposes to meet the new needs in the following manner:

EUR 15.3614 million in commitment appropriations from redeployment within Heading 4.

EUR 79.6386 million in commitment appropriations and EUR 64 million in payment appropriations from the EAR.

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

¹ July reinforcement of EUR 80 million in CA for the crises in Sudan, South Sudan, Syria and Yemen

I. INCREASE

I.A

a) Heading

23 02 01 - Humanitarian aid

b) Figures at 03/08/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	553 261 000	518 574 685
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	80 000 000	35 000 000
3. Final appropriation for the year (1A+1B+2)	633 261 000	553 574 685
4. Utilisation of final appropriation	627 528 264	378 372 743
5. Amount not used/available (3-4)	5 732 736	175 201 942
6. Requirements up to year-end	85 732 736	227 201 942
7. Increase proposed	80 000 000	52 000 000
8. Increase as percentage of appropriation in budget (7/1A)	14.46%	10.03%
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 03/08/2012	403 844	33
3. Rate of utilisation [(1-2)/1]	10.10%	99.98%

d) Detailed grounds for the increase

Please see the explanation provided in the introduction.

I.Ba) Heading**23 02 02 - Food aid**b) Figures at 03/08/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	251 580 000	230 602 367
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	65 000 000	5 000 000
3. Final appropriation for the year (1A+1B+2)	316 580 000	235 602 367
4. Utilisation of final appropriation	282 383 740	203 655 523
5. Amount not used/available (3-4)	34 196 260	31 946 844
6. Requirements up to year-end	49 196 260	43 946 844
7. Increase proposed	15 000 000	12 000 000
8. Increase as percentage of appropriation in budget (7/1A)	5.96%	5.20%
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 03/08/2012	371 556	0
3. Rate of utilisation [(1-2)/1]	5.37%	n/a

d) Detailed grounds for the increase

Please see the explanation provided in the introduction.

II. DECREASE

II.A

a) Heading

19 08 01 01 - European Neighbourhood and Partnership financial cooperation with Mediterranean countries

b) Figures at 16/08/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	1 243 861 010	671 552 312
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
3. Final appropriation for the year (1A+1B+2)	1 243 861 010	671 552 312
4. Utilisation of final appropriation	680 062 378	118 177 724
5. Amount not used/available (3-4)	563 798 632	553 374 588
6. Requirements up to year-end	552 437 232	553 374 588
7. Proposed decrease	11 361 400	0
8. Decrease as percentage of appropriation in budget (7/1A)	0.91%	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	20 266 463	17 122 700
2. Appropriation available on the 16/08/2012	11 361 400	7 893 688
3. Rate of utilisation [(1-2)/1]	43.94%	53.90%

d) Detail grounds for the transfer

The European Neighbourhood and Partnership Instrument budget line for financial cooperation with Mediterranean countries has been credited with recoveries (C5 credits) for an amount of EUR 11 361 400 related to the non-used portion of funds allocated to the Risk Capital Facility "Upgrading of the Enterprises III" in Egypt.

As these recoveries will be used in 2012, the corresponding amount in C1 credits can be made available in order to finance the increased humanitarian needs in Syria and the Horn of Africa.

II.B

a) Heading

23 03 06 - Civil protection interventions in third countries

b) Figures at 16/08/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	4 000 000	3 818 236
1B. Appropriation in budget (EFTA)	104 000	99 274
2. Transfers	0	0
3. Final appropriation for the year (1A+1B+2)	4 104 000	3 917 510
4. Utilisation of final appropriation	74 794	196 151
5. Amount not used/available (3-4)	4 029 206	3 721 359
6. Requirements up to year-end	29 206	3 721 359
7. Proposed decrease	4 000 000	0
8. Decrease as percentage of appropriation in budget (7/1A)	100.00%	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	2 794 654	1 949 026
2. Appropriation available on the 16/08/2012	38 737	1 390 004
3. Rate of utilisation [(1-2)/1]	98.61%	28.68%

d) Detail grounds for the transfer

Following the mid-term review performed on the Civil Protection budget lines and the forecasts until the end of the year, the Commission has identified an excess of EUR 4 million. The amounts received as re-assigned revenues in 2012 will be sufficient to cover the needs until the end of the year, especially as there were fewer than expected activations of the civil protection mechanism in the first seven months of the year.

II.C

a) Heading

40 02 42 - Emergency aid reserve

b) Figures at 03/08/2012

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	258 937 000	90 000 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	-84 024 000	-10 300 000
3. Final appropriation for the year (1A+1B+2)	174 913 000	79 700 000
4. Utilisation of final appropriation	0	0
5. Amount not used/available (3-4)	174 913 000	79 700 000
6. Requirements up to year-end	95 274 400	15 700 000
7. Proposed decrease	79 638 600	64 000 000
8. Decrease as percentage of appropriation in budget (7/1A)	30.76%	71.11%
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 03/08/2012	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 from the EAR for an amount of EUR 79.6386 million in commitment appropriations and EUR 64 million in payment appropriations is requested.

SYRIA AND SYRIAN REFUGEES IN NEIGHBOURING COUNTRIES

Key financial information	
Previous year: total amount in 2011	EUR 0
Amount in the World Wide Decision 2012	EUR 0
Additional (already approved) credits from the Operational Reserve of which:	EUR 40 million
Humanitarian Implementation Plan (revision)	EUR 10 million
Emergency Decisions	EUR 10 million
Budget Reinforcement July (Emergency Aid Reserve and repriorisation External actions)	EUR 20 million
Other EU Funding (Development cooperation, etc.)	EUR 23 million Special measure for Syria and Syrian refugees
Other donors	Syria and Syrian refugees in neighbouring countries: USD 107 million in 2012 (source United Nations Office for Coordination of Humanitarian Affairs (UN OCHA): Central Emergency Response Fund, United States, Commission, Denmark, Australia)

Additional needs	
Total needs	EUR 50 million
When are the credits needed	September 2012
Breakdown by country (if applicable)	Unless the access situation changes dramatically the bulk of funding should go inside Syria, with the rest dedicated to neighbouring countries.
Financed from	Emergency Aid Reserve and reprioritisation in External Actions

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

The humanitarian situation in Syria continues to deteriorate and humanitarian needs, both in Syria and neighbouring countries (Lebanon, Jordan, Turkey and Iraq) have rapidly increased.

Violence has intensified, fighting has continued to spread and it is reasonable to fear that the situation might develop into a sectarian conflict. On 15 July the International Committee of the Red Cross (ICRC) indicated that it now considers hostilities in Syria a civil war, meaning that International Humanitarian Law applies throughout the country.

Furthermore, local infrastructure and services (in particular the Syrian health system, but also the provision of electricity, water and sanitation) have been seriously disrupted, generating even more complex needs. Palestinian refugees are becoming increasingly vulnerable and started to be drawn into the conflict.

Despite the escalation of fighting and access concerns, humanitarian assistance is steadily scaling up and is now being mobilised and implemented. The Government of Syria (GoS) has by and large delivered on its commitment to facilitate humanitarian aid (made in June at the 3rd Syria Humanitarian Forum) and the Syrian Arab Red Crescent (SARC) has granted formal approval to eight additional International Non-Governmental Organisations (INGOs) to work in Syria, expanding the number of possible implementing partners in the country (namely Action Contre La Faim, Première Urgence, Danish Refugee Council, International Medical Corps, Help, Institut Européen de Coopération et de Développement (IECD), SIF, Terres des Hommes - Italy).

This represents a good step forward but is certainly not sufficient as additional humanitarian aid is outpaced by the speed with which new needs emerge: more than 2.5 million people need immediate assistance, around 1.2 million people are internally displaced. Refugee numbers have rapidly increased to over 170 166 as of 16 August with an average of 700 to 1 000 Syrians leaving every day. (source: United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 17 August).

Neighbouring countries have generously received this influx of refugees, but additional support is already required to ensure that the needs of fleeing Syrians and host communities are met and contingency planning and scale up are possible.

Humanitarian Financing

As of end July, only 21% of the Syrian Humanitarian Response Plan and 26% of the Regional Refugee Response plan are financed even though their need estimates are outdated (the Humanitarian Response Plan dates from March) or very conservative (the maximum number of refugees under the Refugee Response plan is limited to 185 000 and will, at current rates of 700-1 000 new refugees per day, be reached by September/October. Turkey has already spent more funds (USD 200 million) on refugees than are required under the entire Refugee Response Plan of USD 193 million). In addition, both the ICRC and the International Federation of Red Cross and Red Crescent Societies (IFRC) have recently revised their appeals. The total current funding shortfall (UN and Red Cross/Crescent) is estimated at EUR 289 million.

Conclusion

The Commission has so far received requests worth more than EUR 40 million, for which no funding is available and additional needs are likely to emerge between now and the end of the year. Therefore, an extra EUR 50 million from the EU Budget are requested for the Syria crisis.

The underlying assumption is that the crisis will continue to create humanitarian needs at about the current level, i.e. it is based on a rather conservative scenario. Should the crisis deepen and widen further – for instance, into an inter-regional conflict – the Commission would have to make an additional request for funds in the autumn.

Extra funding is crucial to adequately respond to the needs for Syria now and in the near future, as no political solution is likely to be found anytime soon. Even if the situation in Syria becomes so difficult from a security point of view that delivery of assistance in the country would be rendered impossible, additional funding will be indispensable to assist a consequent massive influx of refugees in the region.

What for?

Inside Syria and neighbouring countries, the additional funding will allow addressing the increased needs, inter alia, in terms of medical emergency response, protection, food and nutritional items, water, sanitation and hygiene (WASH), shelter and psychosocial support for Syrian Internally Displaced Persons (IDPs), Syrian refugees and host communities. It will also permit to cover needs and mitigate vulnerability of Palestinian refugees.

Furthermore, extra funding will consent the enlarging of the humanitarian footprint and the presence of implementing partners, supporting capacity building of the existing and new INGOs which have received approval from the GoS and SARC to work in Syria.

Other relevant information

Lifesaving needs in Syria

In Syria, emergency health care is a priority and treating and evacuating the wounded are crucial actions. Growing numbers of civilians are leaving their homes in an attempt to escape from violence: they need urgent assistance and protection as well as hosting communities whose vulnerability is worsening. Local resources are stretched and the access to basic services is restricted with consequent rising demands for WASH.

Risk of destabilization of precarious equilibria in the region

In neighbouring countries (Jordan, Lebanon, Turkey and Iraq), the Syrian crisis acts as a destabilizing factor mainly in Lebanon and Jordan. The continuous influx of Syrians is increasing the burden on the host communities and is likely to fuel tensions.

Progress in the scaling-up the humanitarian assistance

Despite deteriorating security, implementing partners are scaling-up assistance and the latest reports from OCHA and ICRC highlight increasing aid recipient numbers. The World Food Programme (WFP) has distributed food to 500 000 people in June and has been requested by SARC to expand food aid to 1.5 million people from their current target of 850 000. The United Nations High Commissioner for Refugees (UNHCR) has received a go-ahead to extend cash assistance in Syria and the United Nations Children's Fund (UNICEF) is scaling up food and non-food assistance for 150 000 IDPs, planning to vaccinate 1.1 million people. The organisation is also looking at water, hygiene and sanitation rising demands and is planning to reach 15 000 beneficiaries. ICRC is currently distributing around 20 000 food parcels a month in Syria, has supported more than 400 000 persons and is negotiating with the GoS for further access to detention facilities.

Timeline for the use of the additional funding

Additional funding is to be used as soon as it becomes available. The continuous establishment of a project pipeline is facilitated through four Commission's field experts as well as weekly dialogue with the main humanitarian partners at Head Quarter's level.

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 the EU Budget and Member States (MS), amounts to EUR 67.9 million and is detailed below.

COMMISSSTION AND EU MEMBER STATES CONTRIBUTIONS TO SYRIA AND THE SYRIAN REFUGEE CRISIS IN 2012 18/07/2012	
<u>Donor</u>	<u>Contributions input in EDRIS²</u>
Austria	EUR 280 000
Belgium	EUR 2 000 000
Czech Republic	EUR 257 232
Denmark	EUR 2 999 579
EU Budget	EUR 40 000 000
Estonia	EUR 100 000
Finland	EUR 1 300 000
France	EU 2 658 000
Germany	EUR 6 605 096
Greece	EUR 50 000
Hungary	EUR 46 756
Ireland	EUR 500 000
Luxembourg	EUR 500 000
Netherlands	EUR 3 000 000
Poland	EUR 352 568
Spain	EUR 405 852
Sweden	EUR 3 757 680
United Kingdom	EUR 2 392 917
Total	EUR 67 999 139

² EDRIS – European Disaster Response Information System

HORN OF AFRICA

Key financial information	
Previous year: total amount in 2011	EUR 182 million
Amount in the Humanitarian Implementation Plan (HIP) 2012	EUR 102 million
Additional (already approved) credits of which:	
European Development Fund Reinforcement	EUR 22 million (Supporting the Horn of Africa Resilience (SHARE))
HIP Revision	
Operational Reserve	EUR 8 million
Emergency Decisions	
Additional credit from the EAR	
Other EU funding (Development cooperation, etc.)	EUR 1,383 million (2008/2013)
Other donors (Financial Tracking Service)	EUR 224.6 million (EU Member States) USD 495.36 million (United States of America) EUR 963.99 million (Others)

Additional needs (as of 19 July 2012)	
Total needs	EUR 30 million
Breakdown by country (if applicable):	Now
- Ethiopia/Somalia	EUR 30 million
- <i>Humanitarian Aid</i>	<i>EUR 15 million</i>
- <i>Food Aid</i>	<i>EUR 15 million</i>
Financed from	EAR and redeployment within Heading 4

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

A drought hit the Horn of Africa (HoA) in 2010/2011 leading to the biggest humanitarian crisis in the world (13 million people affected: 5 million in Ethiopia, 3.7 million in Somalia and 4.3 million in Kenya). People have still not recovered. The food insecurity and malnutrition is caused not only by the failed rainy seasons, but also to the high degree of vulnerability, structural weaknesses, conflict in Somalia and high prices of food commodities.

Although the last rainy season (end 2011) lead to some good harvests, late and erratic rains in some areas are causing renewed food insecurity. Furthermore, the underlying problems have not been addressed. The level of preparedness to face possible humanitarian consequences and the early warning systems are better than in 2010/2011, but the humanitarian community has to continue supporting massively preparedness actions and be ready to respond to rising of malnutrition rates, water shortages and new influx of refugees and Internally Displaced Persons.

In Somalia, the April to June Gu rains in most southern parts of the country started late and were poorly distributed over space and time. As a result, the Gu season crop harvests will likely be delayed and below-average. This, coupled with the deteriorating humanitarian access and the still precarious nutrition status, is likely to see food security of poor, agro pastoral households deteriorate further to Emergency levels (Integrated Food Security Phase Classification - Phase 4). In addition, the evolving military and political situation is bringing new humanitarian needs notably following population displacements and military operations.

In Ethiopia, SNNPR region, southern Tigray, eastern Amhara, parts of central and eastern Oromia are of concern. Rainy season is very late, meaning that the growing season is considerably reduced. In some areas very poor harvests have been recorded. Household food insecurity and levels of malnutrition are increasing. Between February and March 2012, the average admissions of severely malnourished children per site at regional level are increasing. The food security situation is not likely to improve until the next harvest in November/December 2012.

Due to the deteriorating situation between the two Sudan states, the refugee flow from Sudan to Ethiopia is increasing. There is already concern about the 15 000 people refugees in Gambella who do not yet have the refugee status and who require urgent support. In Dollo Ado, the number of new arrivals from Somalia has increased to some 1 500 persons per week since early June and is expected to continue increasing. Moreover, clan clashes have been intensifying over scarce resources and have generated continuing internal displacements. There is a need to strengthen rapid response to these populations.

What for?

Prepositioning of stocks and disaster preparedness activities have to be reinforced; including boosting of current aid pipelines particularly needed in the last quarter of the year.

In parallel, additional support to livelihoods recovery (and resilience related initiative) should also be supported (in addition to SHARE EDF funding) as to avoid complete destitution of vulnerable people.

Partners already active in the region and necessary actions which could not or were partially funded under the HIP 2012 will be supported.

Emergency response focusing on nutrition, health, wash and food assistance and non-food items/shelters would be needed.

Other relevant information

Access in South-central Somalia as well as in some areas of Ethiopia is sharply restricted. The refugee situation is worsening (continued influx, deteriorating situation in the camps, new influx of Sudanese refugees in Ethiopia)

All major donors including the EU have committed themselves into a "Global Alliance for Action for Drought Resilience and Growth" in the Horn of Africa, which initiative can boost coordination and lead to more collective efficient action for resilience.

In March 2012, the Commission launched the SHARE initiative with a budget of EUR 271 million for the first phase (2012/2013) of which EUR 22 million from EDF resources have been allocated for humanitarian and food aid. This funding will increase the support to livelihoods recovery and alternative livelihoods promotion.

The May 2012 Foreign Affairs Council Conclusions on resilience in the HoA support Linking Relief Rehabilitation and Development and longer term solutions in the region.

Overview of existing and planned assistance

The joint humanitarian aid EU effort (EU and Member States as encoded in the Commission's database: Emergency and Disaster Response Information System (**Edris**), amounts to EUR 224 million and is detailed below:

COMMISSION AND EU MEMBER STATES CONTRIBUTIONS TO THE HORN OF AFRICA IN 2012 18/07/2012	
<u>Donor</u>	<u>Contributions input in EDRIS³</u>
Czech Republic	EUR 158 290
Denmark	EUR 10 203 038
EU	EUR 132 000 000
Estonia	EUR 70 000
Finland	EUR 11 050 000
Germany	EUR 11 638 320
Hungary	EUR 26 697
Ireland	EUR 2 000 000
Italy	EUR 2 542 000
Luxembourg	EUR 331 525
Netherlands	EUR 1 000 000
Sweden	EUR 15 716.292
United Kingdom	EUR 37 874 240
Total	EUR 224 610 402

³ EDRIS – European Disaster Response Information System

PAKISTAN

Key financial information	
Previous year: total amount in 2011	EUR 92.5 million
Amount in the World Wide Decision (WWD) 2012	EUR 35 million
Additional (already approved) credits from the Operational Reserve of which: Humanitarian Implementation Plan (new) Emergency Decisions Additional credits from the Emergency Aid Reserve	EUR 20 million
Other EU funding (Development Cooperation, etc.)	EUR 30 million from Food Security Thematic Programme (FSTP) for 2012
Other donors (Source United Nations Financial Tracking Service as of 16/07/2012)	(in USD) United States: 55 million, Central Emergency Response Fund: 26.8 million, United Kingdom: 13.9 million, Canada: 11 million, Norway: 10.7 million, Sweden: 8.4 million, Japan: 6 million, Denmark: 5.2 million, Switzerland: 1.6 million, Germany: 0.6 million, Czech Republic: 0.13 million. The European Commission remains the main donor with 75 million – 34.7 %.

Additional needs	
Total needs	EUR 15 million
When are the credits needed	Now
Breakdown by country (if applicable)	
Financed from	Mobilisation of the EAR and reprioritisation in External Actions.

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

Pakistan is confronted by two major humanitarian crises at the same time:

- - One derives from the on-going conflict in the North of Pakistan with an escalation in the military operations over the last 6 months;
- - The other one derives from the two successive years of major flooding in the South of the country and the consequences in terms of food insecurity and malnutrition.

In addition, new potential needs might be triggered by new natural disasters during the 2012 monsoon season or new military operations.

1. Recent military operations in Khyber agency, part of the Federally Administered Tribal Areas (FATA), have caused the displacement of a large number of people. The influx of Internally Displaced People (IDPs) into Jalozei camp in Khyber Pakhtunkhwa (KP) began in mid-January and intensified in March due to increased security operations in Khyber agency. The renewed conflict has resulted in the displacement of over 361 000 individuals from FATA to KP in the last 6 months. As of 5 August 2012, more than 741 000 people are displaced in the North (including those displaced since 2007). Bearing in mind that people do not always register or are refused registration by the authorities, the actual figures may be higher. Displaced families from Khyber Agency have been arriving at Jalozei camp (majority – in KP), Togh Serai in KP (Hangu

in KP) and New Durrani camp (Kurram agency in FATA) for registration and to receive relief assistance since January-March. In June/July, on average, 1 200 individuals have been registered per day, while their number was 3 000 at the beginning of May and 10 000 in mid-March. 11 % of those displaced are living in three abovementioned camps (Jalozai, Togh Sarai and New Durrani) and 89% in host communities outside the camps.

Registered families (residing either inside or outside Jalozai camp) receive humanitarian assistance in the form of the United Nations High Commissioner for Refugees non-food items package, United Nations Children's Fund hygiene kits and World Food Program (WFP) monthly food rations. Families opting to reside inside Jalozai camp receive a comprehensive package of assistance including food, shelter, health, education and water, sanitation and hygiene (WASH) services. Those opting to stay off-camp also receive assistance mainly by the Non-Governmental Organisations' (NGOs) community.

Government authorities and humanitarian agencies expect the Khyber IDPs to remain displaced at least until the end of the year. Humanitarian partners are seeking funds to continue on-going relief activities for both IDPs and returnees in KP and FATA. The humanitarian caseload is increasing not only because of the influx of IDPs, but also because of the slower rate of returns than originally expected.

The crisis goes almost unnoticed, is rarely reported in the media and is largely underfunded (currently at only 45%). The severe underfunding has already triggered cuts in food rations. Without additional funding, there will be a disruption in the delivery of basic health and nutrition services and WASH services as from September, which may cause disease outbreaks. There is already a serious lack of shelter and non-food items (NFIs). The influx to the camps has resulted in part of the assistance which was originally designated for off-camp population being re-allocated for urgent needs in the camps. This is in particular true for protection activities.

A high proportion of the families displaced are women-headed households. Most of them have children and are being prioritised for registration, tent allocation and provision of humanitarian assistance.

2. The impact of the 2010 and 2011 floods in the Southern Province of Sindh has been particularly severe for an already very vulnerable population. The results of a National Nutrition Survey (NNS) launched in September 2011 show that Sindh has the highest proportion of food-insecure people in Pakistan, with almost 72% of the population suffering from food insecurity. The 2011 survey concludes that Sindh also has the highest levels of malnutrition in the country. The Global Acute Malnutrition (GAM) is at 17.5% amongst children under five years, well above the World Health Organisation (WHO) "critical" threshold of 15%. It is important to note that the Government of Pakistan has not endorsed the results of this Survey, denying the seriousness of the situation. The situation has worsened since the onset of the 2011 floods. Women and children who were already malnourished prior to the floods are now acutely malnourished.

The current response amounting to EUR 55 million does not allow for a sustained response to the IDP crisis in the North and an appropriate level of funding for the food security and nutrition gaps in the South until the end of the year.

With the monsoon season underway, it is probable that major flooding might occur again this year. Should it happen, it will add to the already extreme vulnerability of the people.

What for?

The additional EUR 15 million will be allocated to address existing needs in terms of food, protection, WASH, shelter, health and nutrition in the North (KP) and food and nutrition in the South (Sindh).

The aid will be contracted mostly in the form of cost extensions to existing operations with active partners on the ground to enable a sustained response to humanitarian needs for the most vulnerable.

The expectation is that most of the additional funding would be used in the North (KP). However, flexibility must be preserved to ensure quick reaction to changing events in order to allocate funds on the basis of needs and access if new floods occur during the monsoon season until the end of September.

The amount of EUR 15 million is based on the present humanitarian situation in the North. It does not take into account the foreseeable deterioration of the situation if more extensive military operations or new flooding occur.

Other relevant information

For the two major crises for which funding is requested, access is granted for the time-being and partners are already present and implementing projects, some of them with EU Budget funding. The idea would therefore be to increase the EU's contribution to some of the existing agreements and possibly to work with other partners if the quality of their proposals and interventions are suitable.

Pakistan humanitarian situation has remained unnoticed already for some time and can be considered as a forgotten crisis. It is particularly true for the conflict situation in the North of Pakistan which has been largely underfunded by most of the donors (except the Commission) since 2010. The EU is the largest humanitarian donor in Pakistan, covering some 35% of humanitarian funding for 2012. The recent displacement of over 360 000 people has not been covered in the media and has not triggered a large response in terms of funding. It may be linked to the attitude of the authorities which have refused launching an emergency appeal prepared by the United Nations (UN) or to donor fatigue.

Many donors have a more political counter terrorism agenda which is not always compatible with the humanitarian one. Both UN agencies and NGOs are struggling to meet the scale of the needs with the low level of response by donors. For example, WFP has stressed the importance of donors confirming their contributions now to avoid breaks in the delivery of assistance. If the Food Security Cluster is unable to meet the basic food needs of vulnerable families, food insecurity will likely increase and coping mechanisms will erode, trends which may further destabilize the fragile socio-political and security environment. The situation in the IDP camps is increasingly tense, also because of scarcity of resources.

It is assessed that the displacements are likely to continue in the months to come and that humanitarian assistance will be needed for almost 750 000 conflict-affected IDPs in the foreseeable future. As regards the conflict, the Federal authorities have refused to launch an emergency appeal. The UN Humanitarian Operation Plan (HOP) has reported a funding gap of USD 104 million to provide life-saving and essential services for the IDP crisis until the end of the year.

In terms of natural disasters, the 2011 floods that affected almost 5.8 million people in the South went quite unnoticed since, although at a large scale, they were not as massive as the 2010 floods which affected 20 million people. In February, the Government of Pakistan and humanitarian partners launched an Early Recovery Framework with projects to re-establish livelihoods and restore communities in areas affected by the 2011 floods. The Framework is only 12 % funded, leaving humanitarian partners with severe funding shortages as they seek to build people's resilience and break the cycle of flood and recovery.

Pakistan was discussed in the Council Working Party on Humanitarian and Food Aid of 10 July 2012. Member States expressed the need for a collective effort and further scaling up of support to Pakistan, to tackle in particular the deteriorating food security and nutrition situation in Sindh.