



Council of the
European Union

Brussels, 30 September 2016
(OR. en)

12770/16

FIN 611

COVER NOTE

From:	Ms Kristalina GEORGIEVA, Vice-president of the European Commission
date of receipt:	30 September 2016
To:	Mr Peter KAZIMIR, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 25/2016 within Section III - Commission - of the general budget for 2016

Delegations will find attached Commission document DEC 25/2016.

Encl.: DEC 25/2016



BRUSSELS, 29/09/2016

GENERAL BUDGET - 2016
SECTION III - COMMISSION TITLES: 01, 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 25/2016

FROM

CHAPTER - 0103 International economic and financial affairs

ARTICLE - 01 03 02 Macro-financial assistance Payments -37 500 000,00

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve Commitments -50 000 000,00

TO

CHAPTER - 2302 Humanitarian aid, food aid and disaster preparedness

ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid
and food aid Commitments 50 000 000,00
Payments 37 500 000,00

I. DECREASE

I.1

a) Heading

01 03 02 - Macro-financial assistance

b) Figure at 16/09/2016

	Payments
1A Appropriation in budget (Initial Budget + AB)	79 669 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	79 669 000,00
4 Utilisation of final appropriation	5 061 732,00
5 Amount not used/available (3-4)	74 607 268,00
6 Requirements up to year-end	37 107 268,00
7 Proposed decrease	37 500 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	47,07 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 16/09/2016	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

In line with earlier forecasts, the Macro-financial Assistance (MFA) operation for the Kyrgyz Republic (EUR 15 million in grants) was fully disbursed in April 2016. The MFA operation for Georgia (EUR 23 million in grants), which was foreseen to be fully implemented in 2016, is currently experiencing delays and is likely to be proposed for carry-over into 2017. However, another MFA operation for Moldova which was in the pipeline for 2016 has not been proposed yet and is unlikely to be in place by the end of the year. As a result, the remaining payment appropriations can be made available.

I.2

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 16/09/2016

	Commitments
1A Appropriation in budget (Initial Budget + AB)	309 000 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	-85 622 134,00
3 Final appropriation for the year (1A+1B+2)	223 377 866,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	223 377 866,00
6 Requirements up to year-end	173 377 866,00
7 Proposed decrease	50 000 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	16,18 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 16/09/2016	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

According to article 9 of the Multiannual Financial Framework the Emergency Aid Reserve (EAR) is intended to allow for a rapid response to specific aid requirements of third countries following events which could not be foreseen when the budget was established; first and foremost for humanitarian operations, but also for civil crisis management and protection, and situations of particular pressure resulting from migratory flows at the Union's external borders, where circumstances so require.

II. INCREASE

II.1

a) Heading

23 02 01 - Delivery of rapid, effective and needs-based humanitarian aid and food aid

b) Figure at 16/09/2016

	Commitments	Payments
1A Appropriation in budget (Initial Budget + AB)	1 061 821 941,00	1 428 753 205,00
1B Appropriation in budget (EFTA)	0,00	0,00
2 Transfers	85 622 134,00	117 500 000,00
3 Final appropriation for the year (1A+1B+2)	1 147 444 075,00	1 546 253 205,00
4 Utilisation of final appropriation	1 101 227 134,00	1 107 445 785,76
5 Amount not used/available (3-4)	46 216 941,00	438 807 419,24
6 Requirements up to year-end	96 216 941,00	476 307 419,24
7 Proposed increase	50 000 000,00	37 500 000,00
8 Increase as percentage of appropriation in budget (7/1A)	4,71 %	2,62 %
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) 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 from previous year)

	Commitments	Payments
1 Appropriations available at start of the year	306 860,31	20 141,75
2 Appropriations available on 16/09/2016	122 519,31	0,00
3 Rate of utilisation [(1-2)/1]	60,07 %	100,00 %

d) Detailed grounds for the transfer

In South Sudan, there is a deterioration of the situation on all fronts: political, economic and humanitarian. The spread and intensification of fighting has triggered new massive displacements inside and outside the country. The conflict has completely disrupted livelihoods and flows of goods throughout the country. This impacts the food security situation, which is worse than ever since South Sudan gained independence. An estimated 4.8 million people - 40% of the population - are severely food insecure. The conflict and displacement also leads to restricted access to safe water and appropriate sanitation. The number of people affected by diarrheal and water borne diseases is very high.

In Sudan, new arrivals of refugees from South Sudan are estimated at 100 000 in the past 6 months. Children represent up to 60% of the displaced population. The extremely low level of funding (only 13% of the needs) directly affects the provision of assistance.

Increased internal displacement and recent floodings place additional strain on the food and nutritional situation. An estimated 2 million children are suffering from Global Acute Malnutrition, including 500 000 suffering from its more severe form. In addition, some 4.6 million people are living with crisis or emergency levels of food insecurity.

The outbreak of fighting in July has forced South Sudanese to flee to Uganda. 115 000 people have arrived since 1st of July 2016. There are now more than 340 000 South Sudanese refugees in the country. The United Nations High Commissioner for Refugees (UNHCR) estimates that another 110 000 refugees will arrive in Uganda until the end of the year.

The World Food Programme (WFP) has reported a shortfall of supplies and is reducing the food and cash deliveries by

half starting in August 2016. USD 20 million is required urgently for food aid for over 420 000 refugees.

Health care provision remains critical with gaps in both staff and infrastructure. There are public health concerns, including possible outbreaks of diseases due to overcrowded refugee facilities.

The UNHCR Uganda operation is funded at only 26% of the needs, while the inter-agency Regional Response Plan (RRP) for South Sudan refugees in Uganda is funded at only 23%.

Based on a thorough needs assessment, additional EU assistance in the total amount of EUR 50 million is needed as follows: EUR 40 million for South Sudan, EUR 5 million for Sudan and EUR 5 million for Uganda.

The magnitude of the identified needs for this crisis exceeds the current availabilities in the Humanitarian aid instrument.

As of 1 September, the overall implementation rate in commitment appropriations of the humanitarian aid chapter was at 96.6% (and 96.5% for the main line "Humanitarian aid and food assistance" 23 02 01). In payment appropriations it was at 72.3% for the humanitarian chapter and 71.5% for the main line 23 02 01. The current balance of EUR 38 million in commitment appropriations in the Operational Reserve for Humanitarian aid is needed to cover crises and natural disasters until the end of the year.

After having exhausted the possibilities for redeployment from other policy areas in Heading 4, the Commission proposes the mobilisation of EUR 50 million from the Emergency Aid Reserve in commitment appropriations.

The level of payment appropriations needed is established at 75% of the commitment appropriations, based on the average pre-financing rate of contracts signed in the first eight months of 2016. The corresponding EUR 37.5 million are redeployed from another budget line (see section I.1 above).

(For more information, see Annexes 1 and 2).

ANNEX 1

REQUEST FOR BUDGETARY REINFORCEMENT – SUDAN AND SOUTH SUDAN

This request is complemented by a request for Uganda affected by a significant refugee influx linked to the South Sudan crisis (Annex 2)

2015	
Total amount committed for this crisis (including EDF)	EUR 160 250 000
2016	
Amount committed through the current year's initial HIP(s): - EUR 60 million for South Sudan and EUR 25 000 000 for Sudan	EUR 85 000 000
Reinforcements from: - Operational Reserve <ul style="list-style-type: none"> • Education in Emergencies 	EUR 3 500 000
- Emergency Aid Reserve <ul style="list-style-type: none"> • South Sudan 	EUR 40 000 000
- HIP Children of Peace	EUR 700 000
Total amount from EU Budget:	EUR 129 200 000
Amount committed from the EDF in 2016: - EDF Decision adopted on 2.12.2015 and related amendment on 19.05.2016 (El Niño response/Sudan).	EUR 15 000 000
Total amount committed in 2016 (including EDF)	EUR 144 200 000
Other EU funding (DEVCO, etc.) N.B.: <i>South Sudan and Sudan are not eligible under the 11th EDF. Both countries are not a signatory of Cotonou. They only benefit from regional programmes:</i> - <i>Soudan</i>	EUR 25 000 000
Other donors (source Financial Tracking Service (FTS) as of 09/09/2016) - South Sudan : USD 714 976 526 - Sudan : USD 454 735 273	USD 1 169 711 799

Additional needs	
Total needs Annex 1	EUR 45 000 000
Breakdown by country :	
South Sudan	EUR 40 000 000
Sudan	EUR 5 000 000

Timing

As soon as possible as needs are drastically increasing with a rapid deterioration of the situation all over the country.

Why the additional funding is needed?

South Sudan:

There is a deterioration of the situation in South Sudan on all fronts: political, economic and humanitarian.

The country suffered a major set-back of the peace process in July. Military clashes across the country culminated in an outbreak of heavy fighting in the capital Juba on 8 July. The opposition leader, Riek Machar, who occupied the post of Vice President was forced to flee the country. The political situation is very fragmented and instable, although Juba is relatively stable and a new Vice President is in place since August.

The economic situation is worse than ever. Inflation has reached 660% and the South Sudanese pound is losing value. Foreign exchange reserves are basically depleted and oil revenue remains very low. There is no progress in the discussions with the International Monetary Fund (IMF) on a recovery program.

The spread and intensification of fighting has triggered new massive forced displacements inside and outside the country. Civilians are fleeing attacks and have been systematically targeted by armed forces, in particular women and children who have suffered sexual violence. There are strong indications that there is an ethnic intent behind the targeting of civilians. Civilians are seeking protection either in the UN Mission (UNMISS) bases camps (so-called Protection of Civilian sites), outside the country. More than 115 000 South Sudanese have fled to Uganda. Additional 100 000 South Sudanese have fled to Sudan in the past 6 months.

The conflict and displacements have completely disrupted livelihoods and the flows of goods throughout the country. This impacts the food security situation, which is worse than ever since South Sudan gained independence. An estimated 4.8 million people - 40% of the population - are severely food insecure during the period May-July 2016.

Malnutrition is above emergency thresholds in all but three states, with Global Acute Malnutrition (GAM) rates in Northern Bahr el Ghazal (33.3%) and Unity State (26.2%) around double the critical emergency thresholds. The national GAM average of 17.9% is above the critical emergency threshold of 15%. Considering the negative impact that conflict will have on food security and access to basic services, a continued deterioration of the nutritional status of the population can be expected.

1.1 million people are estimated to have contracted malaria in the first 7 months of 2016. This is an increase of 14% compared to 2015, which was already a record year. 12 counties have reported confirmed outbreaks of measles. An outbreak of cholera has been confirmed with a total of 1 762 suspected cholera cases including 26 deaths as of 6 September. Treatment of war-inflicted wounds continues to be a significant problem, as destruction and looting of health facilities is common in the areas affected by the conflict. The conflict and resulting displacement is further worsening access to safe water and appropriate sanitation. The number of people suffering from diarrheal and water borne disease outbreak is very high.

Sudan:

The flow of refugees into East Darfur, West and South Kordofan, and White Nile remains constant, with new arrivals on a daily basis since the beginning of 2016. Humanitarian partners on the ground continue scaling up the emergency response as well as closely monitoring the situation in order to prepare for massive new influxes of people. Contingency planning/forecasts are being revised as the United Nations High Commissioner for Refugees (UNHCR) is reviewing upwards the number of refugees from South Sudan. New arrivals from South Sudan are estimated at **100 000 in the past 6 months** whilst an increased number of **returnees** (50 000 – 100 000 people) has been reported from Chad to Darfur. In this context, the extremely low level of funding for the refugee response (only 13%) directly affects the quality and timeliness of the assistance.

The humanitarian situation in Darfur has been marked by massive **new displacements** of at least 100 000 Sudanese in the last 6 months, due to the resumption of violence and hostilities in Jebel Marra. Insecurity has also continued in the two transit areas, South Kordofan and Blue Nile, where at least 230 000 Internally Displaced Persons (IDPs) are in need of humanitarian assistance. Children represent up to 60% of the displaced population and the proportion is even higher among newly displaced communities.

Heavy rains and flooding since early June have affected over **200 000** people and destroyed over **22 000** houses in many parts of Sudan. Floods are expected to continue until October.

The nutritional status of children under 5 remains critical, with 2 million children suffering of Global Acute Malnutrition, including 500 000 suffering from its more severe form. In addition, some 4.6 million people are living with crisis or emergency levels of food insecurity, as per the Integrated Food Security Phase Classification (IPC) analysis. The gap of food supplies is expected to continue until October 2016. The situation is very worrying as the populations are already highly vulnerable due to the impact of El Niño and low level of response. Furthermore, increased internal displacement, continuous influx of refugees and flood affected populations place additional strain on the food and nutritional pipelines.

What will it be used for?**South Sudan:**

The Commission will seek to:

1. Reduce mortality and morbidity through adequate food assistance and emergency integrated health and nutrition responses, along with the emergency health, protection, water, sanitation and hygiene promotion (WASH);
2. Respond to selected humanitarian needs especially in areas with destitution and overcrowding leading to a high level of vulnerability and risk, such as UNMISS Protection of Civilians sites and refugee camps;
3. Support basic services in communities exposed to high risks of morbidity and mortality that have high malnutrition rates and face disease outbreaks;
4. Prepare for and respond to emergency humanitarian needs to respond to new shocks, including conflict, forced displacement, deteriorating food insecurity, increasing malnutrition, natural disasters, seasonal hunger or a total temporary breakdown of life-saving services.
5. Strengthen protection activities addressing in particular child protection and Sexual and Gender Based Violence.

Sudan:

In order to respond to the needs identified, the additional funding requested will contribute to:

1. Reinforce integrated multi-sectoral programming to address most critical needs of refugees and host communities;
2. Increase the contribution to food and nutrition pipelines in order to address critical gaps and continue strengthening severe acute malnutrition (SAM) and moderate acute malnutrition (MAM) treatment coverage;
3. Provide a targeted multi-sectoral response to new emergencies such as new displacements or floods;
4. Strengthen effective common services, such as coordination and transport, in order to timely support the implementation of emergency responses.

ANNEX 2

REQUEST FOR BUDGETARY REINFORCEMENT –UGANDA (SOUTH SUDAN CRISIS)

This request is complementary to the request made for the South Sudan crisis and its impact on neighbouring Sudan (Annex 1)

2015	
Total amount committed for this crisis (including EDF)	EUR 93 000 000
2016	
Amount committed through the current year's initial Humanitarian Implementation Plan (HIP) Horn of Africa:	EUR 76 710 000 <small>(including 11 000 000 for Uganda)</small>
Reinforcements from:	
- Operational Reserve	
• Uganda	EUR 4 000 000
• Education in Emergencies	EUR 4 800 000
	EUR 0
- Emergency Aid Reserve	EUR 290 000
- Children of Peace	
Total amount from EU Budget (i.e. total revised HIP and/or Emergency Decisions)	EUR 85 800 000
Amount committed for the Horn of Africa from the EDF:	
- EDF Decision adopted on 2.12.2015 and amendment on 19.05.2016 (El Niño response) – nothing for Uganda	EUR 163 000 000
Total amount committed this year (including EDF)	EUR 248 800 000
Other EU funding:	
EU Trust Fund for Africa <i>Nothing else relevant for the South Sudan crisis impact on Uganda</i>	EUR 10 000 000 (for three years)
Other donors (source Financial Tracking Service (FTS) as of 12/09/2016)	USD 78 222 046

Additional needs	
Total needs for Uganda	EUR 5 000 000

Timing	
By December 2016	

Why the additional funding is needed?	
<p>The outbreak of heavy fighting in South Sudan on 7 July 2016 has triggered the largest refugee influx in Uganda. As of 1 September 2016, there are more than 340 000 South Sudanese refugees in the country and the influx continues at a worrying trend. Since 1 July Uganda has received an additional 115 000 refugees bringing the total 2016 influx to over 149 000 refugees.</p>	

87% of the newly arrived are women and children and 64% are under the age of 18. The United Nations High Commissioner for Refugees (UNHCR) estimates that another **110 000** South Sudanese refugees will cross over to Uganda in the last four months of the year. The overall number of refugees in Uganda is estimated at **617 000**, including refugees from the Democratic Republic of Congo (DRC) and Burundi and other countries. This makes Uganda the second largest refugee-hosting country in Africa after Ethiopia.

The sudden influx of refugees has resulted in significant overstretching of the transit and reception facilities. The key priority is to decongest them (many refugees have stayed at these facilities for more than a month waiting to be relocated), as well as to open new settlement areas to manage the influx of new arrivals and prevent disease outbreaks. The new settlement of Bidibidi in Yumbe District was opened on 3 August and has since received over 43 000 refugees. The process in identifying additional land and moving refugees has been slower than expected. Cases of resistance and reluctance of refugees to move have also been experienced for different reasons, such as differences in culture and religion between the hosts and refugees. The Bidibidi settlement is expected to fill up soon as refugees from all border points and from the transit and reception centres in Arua, Adjumani and Kiryandongo are relocated directly there. This requires fast and massive establishment of life-saving services at this settlement as well as identification of new settlements.

In terms of health care, 76 cases of cholera were identified in August 2016 in the Pagirinya settlement, 70 of whom were successfully treated. Cholera prevention efforts are continuing in both Pagirinya and Bidibidi with the situation reportedly under control but the risk of disease outbreaks remains high.

A rapid nutrition assessment carried out done by Action Contre la Faim (ACF) in the new reception facilities indicates that the nutrition status among the new arrivals is relatively stable. However, the health status was reported to be deteriorating as the refugees arriving recently have been walking long distances before arriving in Uganda. Health care provision remains critical, with heightened health needs and gaps in both staffing levels and infrastructure. Public health concerns including possible outbreaks of diseases due to overcrowded facilities are imminent.

The World Food Programme (WFP) has reported a shortfall of supplies and is already reducing food and cash deliveries by half starting in August 2016. USD 20 million is required urgently for food aid as WFP is assisting over 420 000 refugees.

The current situation is putting a lot of pressure on Uganda and its generous policy towards refugees. With refugee settlements already stretched, any further influx is likely to exceed capacity. Should restrictions on movements in South Sudan be loosened, a large influx of refugees from Central Western and nearby parts of Eastern Equatoria is likely to follow.

The 2016 humanitarian appeal for the South Sudan crisis was increased to US 32.2 million. The UNHCR Uganda operation is funded at only 26% of the needs, while the inter-agency Regional Response Plan (RRP) for South Sudan refugees in Uganda is funded at only 23% (before the revision).

What will it be used for?

Additional funding is urgently needed to ensure access to asylum, the provision of life-saving assistance, the effective management of reception centres and registration procedures, and the installation of refugees in new settlement areas.

In response to the major gap in the general humanitarian operation limiting its response capacity, the Commission has already provided EUR 4 million from Humanitarian Aid Operational Reserve

(OR). However, additional funding is needed to respond to the still remaining significant needs.

Additional funding will be used to:

- provision of **life saving assistance** including emergency health, protection, water, sanitation and hygiene promotion (WASH), health and food;
- support to establishment of **settlements in new areas** including shelter and non-food items (NFIs);
- In view of the fact that the majority of new arrivals are women, children including unaccompanied minors, specific assistance in terms of **protection** needs also to be ensured.

ANNEX 3

COMMISSION TRANSFER PROPOSALS RELATED TO THE EMERGENCY AID RESERVE IN 2016

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2016 which relate to the Emergency Aid Reserve (EAR), and the remaining amount of the EAR reserve following the approval of these proposals.

Transfer Ref	Content	Commitment Appropriations from 2016 Reserve (EUR)	Commitment Appropriations from Reserve carried-over (EUR)	Payment Appropriations from 2016 Reserve (EUR)
DEC 05	Mobilisation of the EAR for additional humanitarian aid for the Syria crisis		150.000.000	
DEC 15	Mobilisation of the EAR for additional humanitarian aid for Sudan and South Sudan		40.000.000	27.000.000
DEC 16	Mobilisation of the EAR for additional humanitarian aid for Yemen	622.134	29.377.866	24.000.000
DEC 17	Mobilisation of the EAR for additional humanitarian aid for Iraq	30.000.000		23.000.000
DEC 18	Mobilisation of the EAR for additional humanitarian aid for Turkey	55.000.000		44.000.000
DEC 25	Mobilisation of the EAR for additional humanitarian aid for South Sudan	50.000.000		
DEC 26	Mobilisation of the EAR for additional humanitarian aid for Yemen	10.000.000		
DEC 27	Mobilisation of the EAR for additional humanitarian aid for Iraq	30.000.000		
	Total of Proposals	175.622.134	219.377.866	118.000.000
	Remainder	133.377.866	0	191.000.000
	Total remainder of commitment appropriations	133.377.866		