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COVER NOTE

From: Mr Janusz LEWANDOWSKI, Member of the European Commission
date of receipt: 2 December 2013
To: Mr Algimantas RIMKUNAS, President of the Council of the European Union

Subject: Transfer of appropriations No DEC 44/2013 within Section III -
Commission - of the general budget for 2013

Delegations will find attached Commission's document DEC 44/2013.

Encl.: DEC 44/2013



EUROPEAN COMMISSION

BRUSSELS, 28/11/2013

GENERAL BUDGET - 2013
SECTION III - COMMISSION TITLES 01, 23

TRANSFER OF APPROPRIATIONS N° **DEC 44/2013**

EUR

FROM

CHAPTER - 0103 International economic and financial affairs

ARTICLE - 01 03 02 Macro-financial assistance

Commitments

- 30 000 000

TO

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

ARTICLE - 23 02 01 Humanitarian aid

Commitments

30 000 000

I. INCREASE

a) Heading

23 02 01 - Humanitarian aid

b) Figures at 22/11/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	560 551 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	382 657 890
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3. Final appropriation for the year (1A+1B+2)	943 208 890
4. Utilisation of final appropriation	942 151 000
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5. Amount not used/available (3-4)	1 057 890
6. Requirements up to year-end	31 057 890
7. Increase proposed	30 000 000
8. Increase as percentage of appropriation in budget (7/1A)	5.35%
9. Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

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

	Commitments
1. Appropriation available at start of year	147 052
2. Appropriation available on the 22/11/2013	0
3. Rate of utilisation [(1-2)/1]	100.00%

d) Detailed grounds for the increase

As of 22 November 2013 the overall implementation rate on the humanitarian aid budget line (23 02 01) was at 99.9% in commitment and 77.3% in payment appropriations, following an increase in payments through the Amending Budget 8/2013 and the Global Transfer.

This high implementation rate in commitments is in line with the operational strategy and budgetary planning for 2013, which have been presented to the Council Working Party on Humanitarian and Food Aid (COHAFA) and the Committee on Development (DEVE) of the European Parliament. Based on its humanitarian needs assessment, the Commission establishes, for the protracted crises, a preliminary budget allocation at country level for the year ahead. In line with the Council and European Parliament orientations, around 15% of the initial operational budget line remains unallocated to address changing priorities and new emerging needs (operational reserve).

Therefore, the unallocated amount on the humanitarian aid budget line was initially set at EUR 96 million. It was subsequently increased to cater for new crises and the deterioration of existing ones, of which the Syrian crisis represents the most striking example. Other additional funds were allocated, inter alia, to Mali, Sudan/South Sudan and the Horn of Africa.

As a result, on 22 November the operational reserve for Humanitarian Aid stood at only EUR 1 million.

Philippines:

Typhoon Haiyan hit the region of Guiuan in the Philippines on 8 November 2013 causing dramatic devastation and loss of human lives.

On 10 November 2013, the Commission adopted a primary emergency decision in the amount of EUR 3 million to cover the most urgent life-saving needs of the worst-affected populations. Due to the scale of the disaster and persistent emergency needs, an additional EUR 7 million was made available on 18 November 2013.

The amount of EUR 20 million in commitment appropriations currently requested is needed to complement the Philippines Government's and other donors' efforts in providing assistance to the people most affected by the disaster. This additional funding will cover the final stage of the emergency and the early recovery and facilitate the transition to rehabilitation and reconstruction. Given the level of destruction, humanitarian needs will need to be addressed in the coming months in the following sectors: food assistance/livelihood support, shelter, health.

Somalia:

Somalia is in a continuing state of complex emergency, prone to natural and conflict-related disasters. This has been shown by the most recent crises to which Commission's humanitarian partners are currently responding: floods in Puntland following a tropical storm and flood related displacement in Middle Shabelle region of South-Central Somalia, aggravated by clan clashes.

The additional amount of EUR 10 million in commitment appropriations requested will contribute to addressing the emerging needs after these disasters.

The Commission has identified available resources within Heading 4 of the Multiannual Financial Framework and proposes to redeploy the total of EUR 30 million from Macro-Financial Assistance (MFA).

For further details on the use of funds and on the humanitarian situation in the Philippines and Somalia, please refer to the attached annexes.

II. DECREASE

a) Heading

01 03 02 - Macro-financial assistance

b) Figures at 22/11/2013

	Commitments
1A. Appropriation in budget (initial budget + AB)	94 550 000
1B. Appropriation in budget (EFTA)	0
2. Transfers	-25 000 000
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3. Final appropriation for the year (1A+1B+2)	69 550 000
4. Utilisation of final appropriation	169 270
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5. Amount not used/available (3-4)	69 380 730
6. Requirements up to year-end	39 380 730
7. Proposed decrease	30 000 000
8. Decrease as percentage of appropriation in budget (7/1A)	31.73%
9. Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) and (c) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

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

	Commitments
1. Appropriation available at start of year	0
2. Appropriation available on the 22/11/2013	0
3. Rate of utilisation [(1-2)/1]	n/a

d) Detail grounds for the transfer

The continuing political crisis and lack of an International Monetary Fund (IMF) arrangement in Egypt has rendered the adoption and commitment of EU macro-financial assistance (MFA) to this country impossible before the end of 2013. Therefore, an amount of EUR 30 million in commitment appropriations can be made available for redeployment.

PHILIPPINES

Key financial information	
Total amount in 2012 (Emergency Decision and Humanitarian Implementation Plan 2012)	EUR 9 million
Amount in the World Wide Decision 2013	EUR 0 million
Humanitarian Aid Budget Operational Reserve	EUR 19.5 million
Other EU Funding (Development cooperation, etc.)	EUR 57 million
Other donors (<i>source United Nations Office for the Coordination of the Humanitarian Affairs Financial Tracking Service (UN OCHA FTS) as of 21/11/2013</i>)	EUR 275.103 million

Additional needs (as of 21 November 2013)	
Total needs	EUR 20 million
When are the credits needed	December 2013
Breakdown by country (if applicable)	Not applicable
Financed from	Redeployment in Heading 4

Why do we need additional funding?

Typhoon Haiyan (local name Yolanda) made landfall over Guiuan in Eastern Samar in the Philippines as a category 5 typhoon on Friday 8 November 2013. The humanitarian impact on the affected population was tremendous, requiring immediate emergency intervention.

The Commission's services rapid field assessment team deployed to the affected areas on 9 November, reported enormous devastation, justifying the release of EUR 3 million as Primary Emergency Decision. Due to the scale of the disaster and persistent emergency needs, an additional EUR 7 million was made available on 18 November 2013 covering urgent needs in the sectors of food, shelter and basic essential non-food items, health, water, sanitation and hygiene and coordination.

The United Nations have launched an Action Plan requesting USD 301 million to provide life-saving assistance to 11.3 million affected people, which has so far received funding for 43%. Major funding gaps remain in the sectors of food security and livelihood, emergency shelter, health and agriculture. While the emergency appeal launched by the International Federation of Red Cross Red Crescent Societies of CHF 72 million is covered for 19 % as of 21 November 2013.

According to the Philippine's National Disaster Risk Reduction and Management Council (NDRRMC), as of 20 November, approximately 10 million people have been affected and the death toll has increased to 4 011. Furthermore, 1 602 people are still missing. 648 160 houses have been damaged (323 454 totally destroyed and 324 706 partially). In total, over 4.4 million people have been displaced, including over 1 million children.

What for?

To complement the Government's and other donors' efforts in providing emergency and early recovery assistance to the people most affected by typhoon Haiyan. This additional funding will cover the final stage of the emergency and the early recovery and facilitate the transition to rehabilitation and reconstruction. Given the level of destruction, humanitarian needs will need to be addressed in the coming months in the following sectors:

Food assistance/Livelihood support: The majority of the affected people depend on income from agriculture and fisheries; with the destruction of crops and fishery equipment, their livelihood has been eroded. In-kind food assistance should progressively switch to cash transfer modalities, as soon as markets are restored, which will contribute to the early recovery of affected communities. Cash for Work programmes could include debris cleaning, sanitation works and rehabilitation of schools.

Shelter: With more than 600 000 houses partially or totally damaged, huge efforts will be necessary to provide temporary and transitional shelter.

Health: Rehabilitation of primary health care including public health, psychosocial support, child-friendly spaces;

Coordination and logistics: Specific needs of children, people with disabilities and gender and age groups will be considered in all sectors of intervention.

Additional Information

When the funds are needed: as soon as possible.

Overview of existing and planned assistance

The joint EU humanitarian aid effort as encoded in the Emergency and Disaster Response Information System (EDRIS) as of 25.11.2013 amounts to EUR 102 793 277 and is detailed in the table below:

EU Budget and Member States contributions to the Philippines for typhoon Haiyan			
Donor	Commitments in EDRIS¹		
	2013 – in EUR		
	Cash	In-Kind	Total 2013
Austria	1 350 000		1 350 000
Belgium			
Bulgaria			
Croatia	49 882		49 882
Czech Republic	155 388		155 388
Denmark	1 712 247		1 712 247
Estonia	150 000		150 000
Finland			
France	785 000	60 000	845 000
Germany	900 000		900 000
Greece			
Hungary			
Ireland			
Italy	650 000	1 350 000	2 000 000
Latvia			
Lithuania			
Luxembourg	650 234		650 234
Malta			
Netherlands	6 000 000	1 430 000	7 430 000
Poland			
Portugal			
Romania			
Slovakia			
Slovenia			
Spain			
Sweden	8 617 240		8 617 240
United Kingdom	53 744 596	15 188 690	68 933 286
Total Member States	74 764 587	18 028 690	92 793 277
EU Budget	10 000 000	0	10 000 000
TOTAL EU	84 764 587	18 028 690	102 793 277

¹ EDRIS – European Disaster Response Information System

SOMALIA

Key financial information	
Total amount in 2012 (Humanitarian Implementation Plan + Top up + Supporting the Horn of Africa's Resilience (SHARE))	EUR 60.8 million
Amount in the World Wide Decision 2013	EUR 46.6 million
European Development Fund B Envelope amount	2012 EUR 7.8 million 2013 EUR 0
Humanitarian Aid Budget Operational Reserve	EUR 6.6 million
Emergency Aid Reserve	EUR 0
Other EU Funding (Development cooperation 2014-2020)	EUR 214 million
Other donors (source <i>United Nations Office for the Coordination of the Humanitarian Affairs Financial Tracking Service (UN OCHA FTS) as of 25/11/2013</i>)	USD 667 280 685

Additional needs (as of 21 November 2013)	
Total needs	EUR 10 million
When are the credits needed	December 2013
Breakdown by country (if applicable)	Not applicable
Financed from	Redeployment in Heading 4

Why do we need additional funding?

Somalia is in a continuing state of complex emergency, prone to natural and conflict-related disasters. This has been shown by the most recent crises: floods in Puntland following a tropical storm and floods related displacement in Middle Shabelle region of South-Central Somalia, aggravated by clan clashes.

1) Tropical Storm in Puntland

Tropical Storm THREE made landfall on the north-eastern coast of Somalia on 10 November, creating flash floods and heavy rainfall. The Somalia Water and Land Information Management system (SWALIM) estimates that rainfall in many of the coastal areas on 11 and 12 November nearly equalled the annual amount in 2012, including in Garoowe and Dangoroyo.

The President of Puntland State declared a natural disaster emergency on 11 November. A situation report by the Ministry of Livestock and Animal Husbandry estimates that around 30 000 people (4 000-5 000 households) may have lost a significant proportion of their sheep and goat herds.

Pastoralist communities are reported to have been particularly affected, with very low survival rates of livestock in the most affected areas.

Assessments by land and air were conducted on 15 and 16 November. The health cluster conducted a rapid assessment by land while delivering emergency health supplies and identified gaps in water, shelter, food, and Non Food Items (NFIs) around Dangoroyo. The aerial assessment confirmed that no large groupings of displaced populations were observed, though traditional shelters were either absent or skeletal. The assessment confirmed reports of major livestock losses: thousands of livestock are reported dead. The Food and Agriculture Organization (FAO) estimates that 800 000 livestock were in the affected area. Survival rate for livestock in the hardest hit areas may be less than 20 per cent.

2) Floods in Jowhar

In Middle Shabelle, Central Somalia, villages and farms in the flood's path have been submerged. The main river embankment is broken and despite efforts to close it, the breakage in Jowhar town environs (Barey) is causing problems. According to the International Committee of the Red Cross (ICRC), floods and inter-clan clashes have forced up to 10 000 families to flee their homes. Floods have also contaminated many of the local drinking-water wells creating a high risk of disease. They have also ruined any chance of a harvest for many local farmers. Further flooding will delay Deyr plantation and could negatively affect food security if water level in the flooded villages do not recede.

Commission's humanitarian partners have already tried to reallocate funds from on-going grants to provide emergency responses to these crises. This is nevertheless at the expenses of on-going very necessary interventions in the fragile humanitarian context of Somalia. Furthermore, needs in Middle Shabelle have the potential to go well beyond the actual contingency capability of humanitarian partners and will certainly need some further direct action.

To add to this difficult situation, the recent withdrawal of Médecins Sans Frontières (MSF) from Somalia overwhelms health services that are already weak and exhausted. It is estimated that 1.5 million Somalis may lack health access, with up to 150 km journeys for referral. An estimated 99 000 people could die due to lack of services: 15 000 women due to lack of Emergency Obstetric Care, 30 000 children under five, 20 000 surgical cases and 34 000 critically ill patients. Longer term plans and resources will be needed to cover all these gaps. The health cluster estimates the budget needed to mitigate the pull-out of MSF from key facilities is USD 16 650 000.

Finally, according to the latest early warning information, vulnerable households in the Hiraan agro-pastoral zone in South-Central Somalia and the Sool Plateau in Northern Somalia are affected by deteriorating food security/nutrition outcomes due to adverse climatic conditions in the previous season.

These multiple hazards and insecurity are forcing many Somalis out of their country, mainly to Kenya and Ethiopia with a heavy share on Kenya with more than 400 000 Somali refugees present in Dadaab camps only. Despite savings, and recent additional contributions, the World Food Programme (WFP) faces a USD 54 million shortfall for the next six months (October 2013 to March 2014). WFP has been forced, as a last resort, to reduce ration sizes by 20 per cent for November and December 2013 so that food stocks will last to the end of the year.

Reduced food assistance will, in the medium-term, have a negative effect on nutritional status just stabilized below emergency levels, while it may escalate social tensions immediately. Reduced food rations may be taken as an unfortunate and wrong signal by refugees.

What for?

Emergency response to rapid onset disasters in Somalia

The 2013 total planned allocation for Somalia from the EU humanitarian aid budget has been committed and almost fully contracted. The additional funding will be directed mainly to partners heavily engaged in the emergency response to the two recent events. This will allow the partners to recover some amounts that have been diverted from their initial main objectives in order to cover the recent crises.

The International Committee of the Red Cross (ICRC) has, for instance, exceeded their 2013 budget for emergency response by EUR 1 to 1.5 million. In the context of the establishment of a United Nations integrated mission from 1st January 2014 and the recent withdrawal of MSF from Somalia, a strong ICRC presence is one of the guarantees of quality, independent and principled humanitarian action.

Finally, this should allow a further response to the shortage in health provision resulting from by MSF's withdrawal from the country.

Response to slow onset crises in Somalia and potential food assistance to Somali refugees

To face the adverse effects of climatic conditions, the Commission's humanitarian partners including Save the Children and the Danish Refugee Council have put in place mitigation actions to ensure treatment of malnutrition and to prevent a significant deterioration in food security that would be accompanied by loss of livelihoods assets and increase in malnutrition.

The late onset of the current rainy season could lead to a further, serious deterioration for households who have not fully recovered from the 2011 crisis and whose coping capacities are extremely fragile. It should be recalled that Somalia was confronted to a famine situation back in 2011 that caused 258 000 excess deaths, half of which were children under the age of five. This was the worst famine worldwide in the past 25 years.

Additional Information

Timing: as quickly as possible.

Overview of existing and planned assistance

The joint EU humanitarian aid effort as encoded in the Emergency and Disaster Response Information System (EDRIS) as of 25.11.2013 amounts to EUR 258 163 175 and is detailed in the table below:

EU Budget and Member States contributions to Somalia					
Donor	Commitments in EDRIS ²				Total 2012-2013
	2012 – in EUR	2013 – in EUR		Total 2013	
	Total	Cash	In-Kind		
Austria		200 000		200 000	200 000
Belgium		250 000		250 000	250 000
Bulgaria					
Cyprus					
Czech Republic	80 321	77 694		77 694	158 015
Denmark	4 102 716	134 113		134 113	4 236 829
Estonia	70 000	50 000		50 000	120 000
Finland	4 050 000	5 387 500		5 387 500	9 437 500
France	1 400 000	800 000		800 000	2 200 000
Germany	9 369 535	5 770 688		5 770 688	15 140 222
Ireland	6 185 000	3 600 00		3 600 00	9 785 000
Italy	2 750 000	550 947		550 947	3 300 947
Luxembourg	211 202	500 000		500 000	711 202
Netherlands	5 950 000	1 680 000		1 680 000	7 630 000
Spain	1 000 000				1 000 000
Sweden	13 296 949	12 692 662		12 692 662	25 989 611
United Kingdom	50 850 207	16 803 642		16 803 642	67 653 849
Total Member States	99 315 930	48 497 245		48 497 245	147 813 175
EU Budget	60 800 000	49 550 000		49 550 000	110 350 000
TOTAL EU	160 115 930	98 047 245		98 047 245	258 163 175

² EDRIS – European Disaster Response Information System