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COVER NOTE

From:	Ms Kristalina GEORGIEVA, Vice-President of the European Commission
date of receipt:	23 April 2015
To:	Mr Janis REIRS, President of the Council of the European Union
Subject:	Transfer of appropriations No DEC 16/2015 within Section III - Commission - of the general budget for 2015

Delegations will find attached Commission document DEC 16/2015.

Encl.: DEC 16/2015



BRUSSELS, 21/04/2015

GENERAL BUDGET - 2015
SECTION III - COMMISSION TITLES: 23, 40

TRANSFER OF APPROPRIATIONS N° DEC 16/2015

FROM

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 42 Emergency aid reserve	Payments	-40 000 000,00
ARTICLE - 40 02 42 Emergency aid reserve (carried-over appropriations)	Commitments	-40 000 000,00

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	Payments	40 000 000,00
ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food aid	Commitments	40 000 000,00

I. DECREASE

L1

a) Heading

40 02 42 - Emergency aid reserve

b) Figure at 20/04/2015

	Payments
1A Appropriation in budget (initial budget + AB)	150 000 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	150 000 000,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	150 000 000,00
6 Requirements up to year-end	110 000 000,00
7 Proposed decrease	40 000 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	26,67 %
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)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 20/04/2015	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.

I.2

a) Heading

40 02 42 - Emergency aid reserve (carried-over appropriations)

b) Figure at 20/04/2015

	Commitments
1A Appropriation in budget (initial budget + AB) [carried-over]	198 922 866,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	198 922 866,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	198 922 866,00
6 Requirements up to year-end	158 922 866,00
7 Proposed decrease	40 000 000,00
8 Decrease as percentage of appropriation in budget (7/1A)	20,11 %
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 Appropriations available at start of the year	0,00
2 Appropriations available on 20/04/2015	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 20/04/2015

	Payments
1A Appropriation in budget (initial budget + AB)	872 446 000,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	872 446 000,00
4 Utilisation of final appropriation	211 084 170,19
5 Amount not used/available (3-4)	661 361 829,81
6 Requirements up to year-end	701 361 829,81
7 Proposed increase	40 000 000,00
8 Increase as percentage of appropriation in budget (7/1A)	4,58 %
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)

	Payments
1 Appropriations available at start of the year	28 512,24
2 Appropriations available on 20/04/2015	0,00
3 Rate of utilisation [(1-2)/1]	100,00 %

d) Detailed grounds for the transfer

See pages 5 and 6 (justifications for increase of commitment appropriations of the same line 23 02 01).

II.2

a) Heading

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

b) Figure at 20/04/2015

	Commitments
1A Appropriation in budget (initial budget + AB) [carried-over]	0,00
1B Appropriation in budget (EFTA)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1A+1B+2)	0,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	0,00
6 Requirements up to year-end	40 000 000,00
7 Proposed increase	40 000 000,00
8 Increase as percentage of appropriation in budget (7/1A)	n/a
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 Appropriations available at start of the year	62 508,54
2 Appropriations available on 20/04/2015	8 867,24
3 Rate of utilisation $[(1-2)/1]$	85,81 %

d) Detailed grounds for the transfer

On 15 April 2015 the implementation rate of appropriations of the humanitarian aid budget lines (chapter 23 02) was at, respectively:

- 85% in commitment appropriations and 24% in payment appropriations for humanitarian aid and food assistance;
- 100% in commitment appropriations and 22% in payment appropriations for disaster preparedness.

Such an implementation rate is in conformity with the operational strategy and budgetary planning for 2015 established by the Commission. Based on its humanitarian needs assessment, the Commission establishes, for the protracted crises, a preliminary budget allocation at country level for the year ahead. Furthermore, in line with Council and European Parliament orientations, an amount of EUR 176 million, nearly 24% of the initial operational budget, remained unallocated to address changing priorities and new emerging needs, the so-called Operational Reserve (OR).

The situation in South Sudan has significantly deteriorated in recent weeks. The failure of the warring parties to achieve a political solution and to end the armed conflict in the country which erupted in December 2013, has led to a further deterioration of the already dire humanitarian crisis situation in the world's youngest state.

Currently, 2.5 million people are food insecure at crisis or emergency levels while the critical lean season is expected to start in May and further deteriorate the situation. Most worrying, the resilience of the population is continuously decreasing as people have already used their reserves, including stocks and seeds, during last year as they try to survive.

The crisis in South Sudan has triggered the displacement of thousands of people in the neighbouring countries of Ethiopia, Kenya and Uganda. In total, according to United Nations High Commissioner for Refugees, over 387 200 people have fled to those three countries since 15 December 2013. In addition, more than 127 000 refugees have arrived in Sudan as a consequence of the conflict in South Sudan.

The influx of new refugees continues on a daily basis and comes on top of an already calamitous situation in all the concerned countries which are already hosting hundreds of thousands of refugees, including South Sudanese.

Additional EU assistance in the amount of EUR 40 million is needed to support humanitarian actions related to this crisis, as described in the attached Annex. In particular, EUR 30 million is needed for South Sudan and Sudan and EUR 10 million for the three affected neighbouring countries Uganda, Ethiopia and Kenya.

The Commission has examined all possibilities for reprogramming appropriations within the Humanitarian aid budget. The OR currently stands at EUR 135 million in commitment appropriations. This amount will be needed to maintain an adequate response capacity for worsening crises such the ones in the Central African Republic, Libya, Iraq etc. and for interventions following small scale and other recurring natural disasters until the end of the year.

The Commission has also looked within Heading 4 for appropriations for redeployment. However, to date no availabilities have been found.

A reinforcement of EUR 40 million in both commitment and payment appropriations is therefore requested through the mobilisation of the Emergency Aid Reserve.

SUDAN and SOUTH SUDAN

2014 Total amount (including European Development Fund (EDF))	EUR 145.265 million
2015 Amount from the Humanitarian Implementation Plan (HIP) relating to this crisis	EUR 82 million
Total amount committed this year (including EDF)	EUR 82 million
Amount to be committed from the Operational Reserve	EUR 5 million
Other EC funding (Development Cooperation, Instrument contributing to Stability and Peace etc.)	0
Other donors (<i>source Financial Tracking Service as of 23/03/2015, including EU Humanitarian aid budget</i>)	USD 351 022 096

Total needs	EUR 30 million
Breakdown by country (if applicable)	
- South Sudan	EUR 27 million
- Sudan	EUR 3 million

Timing - When are the funds needed?
Immediately

Why additional funding is needed?
<p>South Sudan:</p> <p>The lack of political progress on the South Sudan peace negotiations (8 rounds without success) since December 2003 has resulted in a worsening humanitarian situation. The current humanitarian situation is such that: 2.5 million people are facing crisis/emergency levels of food insecurity; 6.4 million people (half of the country population) are in need of assistance and 4.1 million people will need to be assisted by the end of 2015; 1.5 million people have been internally displaced by the conflict since December 2013. The humanitarian outlook is very poor. A further deterioration in food security is to be expected from May onwards when the lean season begins. Ethnic victimisation and violence remains commonplace with large areas of the country out of bound for certain groups.</p> <p>Financial appeals: 2015 United Nations' appeal is worth USD 1.8 billion. To date USD 618 million have been pledged, including USD 452 million for South Sudan. As of 19 March 2015, 38% of pledges have been committed. In addition, there are separate appeals of Médecins Sans Frontières and the International Committee of the Red Cross (ICRC) of around EUR 100 million each, of which the ICRC appeal has a financial coverage of only 6.6%.</p> <p>Sudan:</p> <p>As a consequence of the armed civil conflict in South Sudan more than 127 000 refugees have fled</p>

into several areas of Sudan. The rate of arrival has increased in March 2015, with an estimated 4 000 new refugees. Over 50% of the refugees are in White Nile state where relocation camps (or "waiting sites" as defined by the Government of Sudan) were established. The rest are living in Khartoum, South Kordofan, West Kordofan and Blue Nile states. The expected inflow for 2015 is for 190 000 arrivals. This situation adds to an already fragile and underfunded acute nutritional crisis affecting all Darfur States, the three Eastern Sudan States and parts of South Kordofan and Blue Nile, where over 500 000 children are estimated to suffer from severe acute malnutrition.

In the appeal published on 23 February 2015, the United Nations High Commissioner for Refugees (UNHCR) estimates the financial need for 2015 for Sudan only at USD 68.3 million. Furthermore, the World Food Program urgently requires USD 10 million for the next six months to meet the needs of all refugees in Sudan.

What will it be used for?

South Sudan:

Main areas of response will be: food assistance; basic emergency services, including health and nutrition; protection.

Sudan:

The additional funding will be used for filling the gaps identified above and in particular to fund the operations of UNHCR and other mandated agencies in the country in favour of the refugees and conflict-affected people in Sudan.

HORN of AFRICA

(Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Uganda)

2014 Total amount for this crisis (including European Development Fund (EDF))	EUR 101 million
2015 Amount committed through the initial Humanitarian Implementation Plan (HIP) relating to this crisis	EUR 77 million
2015 Total amount committed this year (including EDF)	EUR 77 million
Amount to be committed from the Operational Reserve	EUR 5 million
Other EU budget funding (Development Cooperation, etc.)	0
Other donors (<i>source Financial Tracking Service as of 27/03/2015</i>)	USD 7 783 277

Total needs	EUR 10 million
Breakdown by country (if applicable)	
- Uganda	EUR 4 million
- Ethiopia	EUR 4 million
- Kenya	EUR 2 million

Timing - When are the funds needed?
Immediately

Why additional funding is needed?
<p>The crisis in South Sudan has triggered the displacement of thousands of people in the neighbouring countries of Ethiopia (197 314), Kenya (45 431) and Uganda (144 455) since 15 December 2013. In total, according to United Nations High Commissioner for Refugees (UNHCR), over 387 200 people have crossed into those three countries.</p> <p>The influx of new refugees continues on a daily basis and comes on top of an already dire situation in all the concerned countries which are hosting hundreds of thousands of refugees, including South Sudanese. Ethiopia has become the largest refugee host country in Africa with 660 000 refugees in 24 camps, 587 000 refugees live in Kenya in 2 main camps and 400 000 are settled within the host communities in Uganda.</p> <p>Without a peace agreement in sight in South Sudan, UNHCR expects the number of South Sudanese refugees to increase throughout 2015 to reach 340 000 in Ethiopia, 75 000 in Kenya and 210 000 in Uganda by the end of 2015.</p> <p>The displaced persons are granted prima facie status of refugees in all three countries. More than 80% of the new arrivals are women and children. Unaccompanied minors are not exceptional and numerous. Being a very vulnerable group, they remain a major protection concern.</p> <p>The 2015 Inter-agency Regional Refugee Response Plan is largely under-funded: up to 3% for Uganda and 5% for Ethiopia and Kenya, as it was already the case in 2014. UNHCR's supplementary appeal for the first 6 months of 2015 seeks USD 365 million for the almost</p>

500 000 current refugees in the four countries (including Sudan). In Uganda, the World Food Program (WFP) is implementing 50 percent ration cuts for refugees who arrived before June 2013 in order to stretch the available resources. Full rations may be restored as soon as new contributions reach the country.

What will it be used for?

Additional funding in the neighbouring countries would be allocated in priority to respond to the unmet basic needs of the refugees such as protection, shelter, water and sanitation, health services, Non Food Items, nutrition and food assistance. In Ethiopia and Kenya additional land allocation for camps establishment is being negotiated to host an increasing number of South Sudanese refugees. The establishment of new camps will trigger the need for reinforced support.

On the basis of the current level of needs (which is unlikely to decrease), it is estimated that at least EUR 10 million (for Ethiopia, Kenya and Uganda) is urgently needed to scale-up and deliver life-saving assistance to the populations directly affected by the South Sudanese crisis having fled to these countries.