



Council of the
European Union

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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	2 February 2023
To:	Ms Johanna LYBECK LILJA, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 03/2023 within Section III - Commission - of the general budget for 2023
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Delegations will find attached Commission document DEC 03/2023.

Encl.: DEC 03/2023



BRUSSELS, 2/02/2023

GENERAL BUDGET - 2023
SECTION III - COMMISSION TITLES: 14, 30

TRANSFER OF APPROPRIATIONS N° **DEC 03/2023**

FROM

CHAPTER - 3004 Solidarity mechanisms (special instruments)

ARTICLE - 30 04 01 Solidarity and emergency aid reserve (SEAR)

Commitments	-185 000 000,00
Payments	-185 000 000,00

TO

CHAPTER - 1403 Humanitarian Aid

ARTICLE - 14 03 01 Humanitarian aid

Commitments	185 000 000,00
Payments	185 000 000,00

The last (mid 2022) update of the 2022 Global Report on Food Crises announced that the population facing the three highest phases of acute food insecurity (IPC3 and above) was greater than at any point in the history of the Report. According to WFP¹, the number of people in this grave category around the world rose to about 349 million in 2022, from 270 million in 2021, with an increase of about 200 million people compared to pre-pandemic levels.

The 2022 Global Report indicated that, by the end of 2021, across the 53 countries/territories surveyed, 193 million people were experiencing this acute food insecurity, a sharp increase (25 %) with respect to the situation at the end of 2020. In 2021, almost 40 million people were reported to be in a food emergency situation (IPC/CH phase 4 and above) across 36 countries - only one step away from famine and, in four countries, famine-like conditions (IPC/CH phase 5) were identified, totaling more than half a million people.

The situation has worsened since the mid 2022 data. The biggest driver of hunger is conflict (60 % of people experiencing hunger live in areas affected by war and violence). The repercussions of the war in Ukraine have a hugely negative impact on food security. This has resulted in the worsening of the record-breaking food insecurity statistics of 2021 and early 2022, as the war disrupted food prices, supplies and the price of energy and fertilizers. Climate change, and its effects, is also significantly influencing the situation: destroying crops and livelihoods, and therefore people's ability to feed themselves.

Not only had the magnitude of food insecurity, also its severity increased in 2022. The latest update of the "Hunger Hotspot Analysis"² - an early warning analysis of situations where acute food insecurity is likely to deteriorate over the coming months - confirms a risk of famine in Nigeria, South Sudan, Somalia, Yemen, Afghanistan and Ethiopia, and projects an increase of famine-like conditions (IPC/CH phase 5) to almost one million people by the end of 2022. (Please see Annex I)

The situation is unlikely to improve in 2023, given the impact of the war in Ukraine on agricultural supply and productivity. The full impact of the Russian invasion of Ukraine has yet to be fully captured, since some of the analyses considered in the latest reports were carried out before its ripple effects fully unfolded. The next Global Report (to be released in April 2023) should provide a clearer and more complete picture.

The Commission has not been able to identify available resources in Heading 6, Neighbourhood and the World. Therefore, it requests the mobilisation of the Solidarity and Emergency Aid Reserve for a total of EUR 185 million in commitment and in payment appropriations to support the food security crises in Africa and in Yemen, as well as the multi sectoral crisis in Venezuela.

As of 24 January 2023, the overall implementation rate of commitment appropriations of the humanitarian aid chapter 14 03 was at 84 % of available appropriations and the implementation in payment appropriations was at 7 %.

¹ [A global food crisis | World Food Programme \(wfp.org\)](https://www.wfp.org/publications/global-report)

² https://docs.wfp.org/api/documents/WFP-0000142656/download/?_ga=2.202498841.948821412.1674657567-766872473.1674657567

I. DECREASE

I.1

a) Heading

30 04 01 - Solidarity and emergency aid reserve (SEAR)

b) Figures at 25/01/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 274 897 000,00	1 274 897 000,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	1 274 897 000,00	1 274 897 000,00
4 Appropriations already used	0,00	0,00
5 Appropriations available (3-4)	1 274 897 000,00	1 274 897 000,00
6 Decrease proposed	185 000 000,00	185 000 000,00
7 Total appropriations up to year end (5-6)	1 089 897 000,00	1 089 897 000,00
8 Decrease as percentage of appropriations in budget (6/1)	14,51 %	14,51 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a	n/a

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

	Commitments	Payments
1 Appropriations available at start of the year	0,00	0,00
2 Appropriations available on 25/01/2023	0,00	0,00
3 Implementation rate [(1-2)/1]	n/a	n/a

d) Detailed grounds for the decrease

According to article 9 of the Multiannual Financial Framework Regulation, the Solidarity and Emergency Aid Reserve (SEAR) is intended to allow for

(a) assistance to respond to emergency situations resulting from major disasters that are covered by the European Union Solidarity Fund, the objectives and scope of which are set out in Council Regulation (EC) No 2012/2002; and (b) rapid responses to specific emergency needs within the Union or in third countries following events which could not be foreseen when the budget was established, in particular for emergency responses and support operations following natural disasters not covered by point (a), man-made disasters, humanitarian crises in cases of large-scale public health, veterinary or phytosanitary threats, as well as in situations of particular pressure at the Union's external borders resulting from migratory flows, where circumstances so require.

This first mobilisation under the external actions represents 53 % of the appropriations available under the SEAR reserved for the emergency needs in third countries for the period until 1 September 2023.

II. INCREASE

II.1

a) Heading

14 03 01 - Humanitarian aid

b) Figures at 25/01/2023

	Commitments	Payments
1 Appropriations in budget (Initial Budget + AB)	1 687 002 967,00	1 747 484 500,00
2 Transfers	0,00	0,00
3 Total appropriations for the year (1+2)	1 687 002 967,00	1 747 484 500,00
4 Appropriations already used	1 410 197 967,00	123 218 267,75
5 Appropriations available (3-4)	276 805 000,00	1 624 266 232,25
6 Increase requested	185 000 000,00	185 000 000,00
7 Total appropriations up to year end (5+6)	461 805 000,00	1 809 266 232,25
8 Increase as percentage of appropriations in budget (6/1)	10,97 %	10,59 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a	n/a

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

	Commitments	Payments
1 Appropriations available at start of the year	1 738 235,22	18 411,83
2 Appropriations available on 25/01/2023	1 729 235,22	6 360,37
3 Implementation rate [(1-2)/1]	0,52 %	65,45 %

d) Detailed grounds for the increase

The Commission requests the mobilisation of the Solidarity and Emergency Aid Reserve for a total of EUR 185 million in commitment and in payment appropriations to support the food security crises in Africa and in Yemen, as well as the multi sectoral crisis in Venezuela as detailed below.

Food security – EUR 164 million

- Africa – EUR 138 million

In Africa prepositioning and delivering food assistance in a timely manner will be essential to provide better impact for populations concerned before their situation further deteriorates. It is essential to take action before the 'lean season'.

Africa is facing its worst food crisis seen in 40 years. Global factors such as ongoing adverse impact of climate change, deepening economic crisis compounded by the Russian aggression on Ukraine, with ensuing inflation around the world and a surge in global food prices, have caused devastating ripples across the globe. All crises with populations in IPC4 or above are "one step away from famine".

In view of the current funding pipeline, as well as the most recent evolution of the needs and its seasonality, focus will be given to West and Central Africa, Somalia, Sudan and South Sudan, Southern Africa and Madagascar.

- Yemen- EUR 26 million

In Yemen, funds are needed to keep supporting a population that is suffering from combined impact of armed violence, economic crisis and disrupted public services. Further compounded by the Russian invasion of Ukraine, severe food insecurity continues to increase. Yemen had the highest Global Hunger Index (GHI) score in the world. In 2022, less than 54% of the Humanitarian Response Plan was funded. This led to reductions of food assistance and other lifesaving sectors of activity such as nutrition, water, hygiene and sanitation and health. Some parts of the country are already in a situation of famine (IPC5).

Venezuela - complex crisis – EUR 21 million

The humanitarian situation remains dire, with deepening needs in all the key sectors as the political, social and economic crisis remains profound in Venezuela. Living conditions are unlikely to improve in the short term and this will continue to severely impact the 19.7 million people in need of humanitarian assistance (out of a population of 28.7 million). The National Household Survey indicated for 2021 an extreme poverty rate of 76.6 %, and a total poverty rate of 95.4 %. The Venezuela crisis is the biggest displacement crisis in the region and the EU response covers the situation both inside Venezuela and in the region with 7.1 million people having left the country.

Inside Venezuela, the number of people who exhausted their livelihoods or do not have enough to eat increased to a record number of 18.7 million people (compared to 9.3 million Venezuelans reported by World Food Programme in 2019). Regionally, some 6.9 million food insecure people are heavily impacted by the crisis and substantially rely on humanitarian aid for securing basic needs and short-term livelihoods.

