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REPORT FROM THE COMMISSION
ANNUAL REPORT ON HUMANITARIAN AID 2000

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EXECUTIVE SUMMARY

The global humanitarian situation in 2000 was characterised by inconclusive trends. With respect to **natural disasters**, the single most important events with humanitarian implications were the floods in Mozambique and in South East Asia, and the drought in the Horn of Africa. Globally, the humanitarian impact of natural disasters was lower in 2000 than in 1999 because less populated areas were affected.

The situation regarding **man-made disasters** is different, however. Not only have most protracted crises and wars persisted, but the total number of ongoing wars and violent crises had increased to 36 by the end of 2000. Theatres of particular concern include the Northern Caucasus, Colombia, Israel/West Bank and Gaza Strip and Afghanistan. Several local conflicts in Africa have spilt over into a large crisis belt spanning the continent from Sudan, through the DR Congo and the Great Lakes to Angola. An important indicator for the humanitarian dimension of these events is the number of refugees and internally displaced persons (IDP), estimated at 20-25 million world-wide. These numbers - though lower than in the mid-1990s - are unacceptably high, not least because they risk destabilising the host countries themselves.

ECHO's response to humanitarian crises in 2000 was channelled **through 121 funding decisions** for a total amount of € **491.7 million**. 993 contracts for a total of € 545 million (this includes 242 contracts to implement 1999 decisions) were signed to fund humanitarian projects in more than 60 countries. The **geographical distribution** of funds reflects the dramatic improvement of the situation in the Western Balkans in 2000, reducing Ex-Yugoslavia's share from 55% in 1999 (which included € 346 million from the Commission's budget reserve for the victims of the Kosovo crisis) to 20% in 2000. The share of funds that went to ACP states in 2000 reached 35% in 2000 (1999: 16%). As for the other regions, Asia received 16% (1999: 11%), North Africa/Middle East 10% (1999: 2.5%), NIS 10% (1999: 6.8%) and Latin America 6% (1999: 6%). 3% cannot be attributed to a specific country (e.g. expert costs, grants).

With respect to the **type of partners**, the three main partner groups were EC-NGOs (65% of ECHO funding was implemented through them), the United Nations (19%) and other International Organisations (10%). Through its partners, ECHO was able to **provide relief to at least 18 million people**.

ECHO has begun to implement its action plan resulting from the 1999 "Article 20" evaluation and has introduced a number of **organisational and procedural changes** to further enhance the effectiveness of its operations. However, the year 2000 has not brought the much-needed breakthrough to resolve a number of **challenges that all humanitarian donors are confronted with**, such as the increasing number of security incidents, denial of access to victims, risks of negatively influencing fragile local communities through aid. The expanding list of persistent man-made crises and the long-term trend towards more and increasingly damaging natural disasters due to demographic change and environmental degradation are worrying symptoms of the international community's striking lack of problem-solving capacity. Humanitarian aid, in this context, can treat symptoms. It cannot address the root causes of these problems. These have to be addressed through other means: conflict prevention, environmental protection and sustainable development.

1. GENERAL POLICY FRAMEWORK

The year 2000 was a year of transition for ECHO during which the political agenda set by Commissioner Poul Nielson gave new orientations in three important policy areas, namely the so-called "gap" **between relief, rehabilitation and development (LRRD), relations with the United Nations, and administrative reform**. As part of the overall reform effort¹ and under the leadership of ECHO's new Director, Mrs Costanza Adinolfi, ECHO introduced concrete steps to implement the recommendations of the so-called "Article 20 evaluation"². In line with these recommendations and with the overall Commission reform process, the measures focus on three strategic objectives: **defining ECHO's role** vis-à-vis the other Community instruments in the field of external relations in a clearer and more coherent manner, **restructuring ECHO's internal organisation and working methods**, and **improving the performance** of ECHO's operations.

With regard to the institutional and policy aspects, priority has been given to elaborating a more coherent division of labour between Community instruments in the area of external relations, mainly with respect to **the "grey zone" between relief, rehabilitation and development** operations, but also in relation to conflict prevention and crisis management. ECHO's role has been clarified in a way that focuses more clearly on its core mandate, i.e. providing immediate life saving relief in emergencies, and that will maintain its operational independence vis-à-vis non-military crisis management. This will ensure ECHO's vital impartiality in humanitarian crises. A communication on the "grey zone" is being prepared. Work on a communication on building a more effective partnership with the **United Nations** in development cooperation and humanitarian affairs has been launched as well. It will emphasise the strategic priority of EC/UN relations for the Commission.

With respect to ECHO's organisational structure, a **new organigramme** was introduced in June 2000. It is designed to organise all ECHO's activities in order to support the delivery of humanitarian aid in the most efficient way. Particular importance has been given to reinforcing the support function of ECHO's administrative, conceptual, financial, audit and evaluation components, which have been related more closely and logically to the procedural and policy aspects of ECHO's interventions in various geographical contexts. The new organigramme also accommodates the need for quick and efficient reaction, and presents easy and clear access for ECHO's external partners.

ECHO has also initiated a review of its internal procedures with a view to facilitating and accelerating the decision-making process, while at the same time maintaining an adequate level of control. The package of measures adopted by the Commission in November 2000 on the simplification of procedures opened the possibility for ECHO to introduce a **fast-track decision-making procedure**. This will enable ECHO to fund projects within 24 -72 hours after a sudden-onset disaster. The new procedure is expected to be operational in the first half of 2001.

With respect to the **performance-based operational strategy**, ECHO reinforced its partnership with other humanitarian organisations and improved its method of strategic

¹ Cf. Decision of the Commission of 16 May 2000

² Communication COM (1999)468 final of 26.10.1999 on "Assessment and future of Community humanitarian activities" (article 20 of Regulation (EC) 1257/96). The recommendations were largely endorsed by Council and European Parliament. Cf. Minutes of the 2263th meeting of the Development Council, 18 May 2000, p.17-18, and Report of the Development Cooperation Committee, 28 June 2000 ("Imbeni Report").

programming. In close dialogue with partners, for example, the technical documents of the Framework Partnership Agreement were simplified and clarified, and more flexibility was introduced. To introduce more transparency and predictability into the planning process, ECHO, for the first time in its existence, held a broad strategic dialogue with Member States, the European Parliament and the main humanitarian organisations, including the United Nations, about its operational and thematic priorities for the coming year.

2. OVERVIEW OF OPERATIONS

ECHO's interventions closely followed the evolution of the global humanitarian situation in 2000. With respect to **natural disasters**, the most important events with humanitarian implications were the floods in Mozambique and in South East Asia, and the droughts affecting the Horn of Africa. With 850 natural disaster events, 2000 was a record year although the death toll was lower than in 1999 because disasters generally affected less populated areas³.

Despite the positive developments in the Balkans, the global situation concerning **man-made disasters** remains challenging. Not only have most protracted crises and wars persisted, but the total number of ongoing wars and violent crises increased from 28 in 1996 to 36 at the end of 2000⁴, resulting in 20-25 million refugees or IDPs world wide⁵. Areas of main concern for ECHO include the Northern Caucasus, Colombia and Afghanistan. Several local conflicts in Africa have spilt over into a large crisis belt spanning the continent from Sudan, through the Great Lakes to Angola. ECHO's geographical focus in 2000 reflects this situation.

ECHO's response to humanitarian crises in 2000 was channelled **through 121 funding decisions** for a total of € **491.7 million** to fund humanitarian projects in more than 60 countries. The **regional distribution** of funds reflects the dramatic improvement of the situation in the Western Balkans to which 20% of the funding was allocated in 2000 as compared to 55% in 1999. That year, however, was exceptional since ECHO's initial budget was revised to include additional allocations for the Kosovo crisis (€ 346 million from the emergency aid reserve).

The share of funds allocated to the ACP region in 2000 reached 35%, mainly addressing the deteriorating situation in the DRC and West Africa, and the droughts in the eastern part of the continent. Allocations to other regions remained more or less stable, with 16% going to Asia 10% to North Africa/Middle East and the CIS/NIS respectively and 6% to Latin America.

Many ECHO interventions funded projects specifically designed to meet the needs of the **most vulnerable population segments**. 47 projects with a total budget of € 16.7 million, for example, addressed the specific needs of disaster-affected children.

ECHO's main **partner group** remains EC-NGOs (65% of funding), followed by the UN (19%) and other International Organisations (10%). The strong emphasis on food aid operations due to the droughts in many regions meant that the World Food Programme was the biggest individual partner in 2000 (€ 43 million in contracts).

³ 10,000 compared to 80,000 persons in 1999. Source: Munich Re; IFCR World Disasters Report 2000.

⁴ Heidelberger Institut für Internationale Konfliktforschung: Konfliktbarometer 2000.

⁵ Brookings Institution Project on Internal Displacement, Occasional Paper, September 2000, and UNHCR Refugees and Others of Concern to UNHCR - 1999 Statistical Overview.

Through its partners, ECHO was able to **provide relief to approximately 18 million people**.

2.1 AFRICA, THE CARIBBEAN, AND THE PACIFIC

Central Africa

With none of the belligerents in the **Democratic Republic of Congo (DRC)** conflict abiding by the terms of the Lusaka cease-fire agreement and UN Resolutions, the crisis deepened in 2000 into a humanitarian catastrophe of unprecedented proportions. In June an independent report estimated that 1.7 million “extra” deaths had been brought about by the conflict in under two years, of which only 12% were thought to have been caused directly by acts of violence. People are dying not from bullets, but from malnutrition and easily treated diseases such as malaria. In these circumstances, ECHO further refined and consolidated its strategy, which aims to provide access to basic primary health care in one third of the country’s 300 health districts. Taking funds decided in 1999 but implemented in 2000 together with the intervention plan of € 20 million approved in June, ECHO contributed around € 30 million to humanitarian operations in DRC in 2000.

Tanzania is still hosting the largest refugee population on the continent with 400,000 Burundian and 100,000 Congolese living in camps in the Western provinces. ECHO contributed just under € 27 million to the Tanzania refugee programme in 2000 through the UN and the Red Cross, thus effectively funding more than one third of the total humanitarian aid available to refugees in this country.

The humanitarian situation in **Burundi** did not significantly improve in 2000, with sporadic fighting and general insecurity dominating in a large part of the country. In this context, ECHO allocated € 13,7 million to assist the most vulnerable population segments, namely children, IDPs and people without access to clean drinking water or sanitation.

ECHO successfully instigated its withdrawal from two countries in which it had previously had a significant involvement: (a) **Rwanda**, where ECHO pulled out at the beginning of 2000, making way for more appropriate, structural instruments, and (b) **Congo-Brazzaville**, where the return of the majority of refugees and IDPs enabled ECHO to start phasing out its programmes.

Horn of Africa and Eastern Africa

In 2000, the situation in this region was mainly characterised by the drought affecting Ethiopia, Eritrea, Kenya and Somalia, and by the war between Ethiopia and Eritrea. ECHO reacted quickly and flexibly to both events.

Although ECHO had no previous permanent presence or major operations in **Ethiopia**, the first indicators of the far-reaching consequences of the drought prompted a series of emergency decisions, totalling € 9.4 million in 2000, thereby contributing substantially, for example, to an ICRC complementary feeding programme for 188,000 people. Furthermore, ECHO seconded an ECHO Flight aircraft to WFP to facilitate the drought-related relief efforts in the logistically difficult environment of south east Ethiopia. In addition to this, ECHO signed a contract worth € 3.5 million with WFP (1999 budget) and released another € 5 million for this agency in favour of the war-displaced populations in Tigray. To enable close co-ordination with partners and other donors, ECHO opened an office in Addis Ababa.

In **Eritrea**, ECHO's involvement in 2000 focused on the needs created by the border war with Ethiopia. ECHO supported water/sanitation and health/nutrition interventions, the provision of non-food items and shelter for IDPs and deportees. This included, e.g., the provision of 6,000 tents. ECHO thus significantly contributed to stabilising the situation of the vulnerable population groups living in camps and - to a somewhat lesser extent - of those living with host communities. The newly opened ECHO office in Asmara will continue to have a crucial role in monitoring the needs of the camp populations as long as these persist. ECHO may also take on a limited role in assisting the return and reintegration of IDPs and refugees. In the course of the year, emergency funding of € 8 million was made available.

In **Kenya**, ECHO's intervention was focused on alleviating the effects of the drought in the northern and eastern parts of the country. € 4 million were allocated for nutritional and livestock programmes as well as for emergency water projects. A further € 400,000 were made available to combat malaria in the south western highlands of Kenya.

Central and southern **Somalia**, which are covered by ECHO, remained unstable throughout 2000 despite the establishment of a parliament and a government for the whole of the country. In the absence of rehabilitation donors, ECHO continued with a focused € 6.5 million programme in the health and nutrition sector to ensure the survival of the most vulnerable.

The victims of the civil war in **Sudan** continued to receive considerable ECHO funding (€ 11 million). Although ECHO remains committed to neutral and impartial funding of all populations in need, it nevertheless stopped funding for SPLM controlled areas in March 2000, prompted by the forced introduction of a Memorandum of Understanding to be signed by NGOs working in that area. It was felt that the MoU compromised their ability to deliver aid in accordance with humanitarian principles. This allowed for a re-focusing on largely uncovered areas of South Sudan, where the humanitarian crisis was alleviated through the provision of community survival kits for displaced populations.

West Africa

The main crisis theatre in the region, **Sierra Leone/Guinea/Liberia** remained unstable throughout 2000 after the resumption of violence in late May. This provoked a new wave of displacement from RUF to government-held areas. ECHO managed to react flexibly to these events by modifying its operations in the country throughout the year. Projects funded by ECHO targeted both refugees in neighboring countries (approx. 340,000) and IDPs in Sierra Leone (approx. 400,000) itself. In order to minimize the risk of tensions, part of the assistance was addressed to the host communities. ECHO's projects also targeted children affected by war and victims of mutilation. The total amount allocated to Sierra Leone and its neighbours was € 16.1 million. This includes addressing the needs of displaced populations and refugees in neighbouring Guinea. Since September, Guinea, previously a relative stable country and the main place of refuge for Sierra Leoneans and Liberians, has been the target of cross-border attacks and internal violence. Funding also includes € 1.7 million for a vaccination campaign to combat the yellow fever epidemic in Guinea. The campaign reached 1 million people, thereby effectively halting the epidemic after two months. The meningitis outbreak in **Chad** and **Niger** required an intervention of € 1.2 million to fund the vaccination of 2 million people.

Southern Africa

There was no visible improvement of the situation for the war-affected population of Angola where the civil war is continuing. 60% of the areas hosting IDPs were still without any humanitarian presence although the rise in oil prices allowed a certain economic recovery of the country. Discussions with DG Development have been launched to organise a hand-over of certain projects (notably in the secondary health sector) to allow a better focusing of funds on strictly humanitarian areas. In 2000, ECHO funded operations worth € 15.7 million in Angola.

Mozambique is not a country in which ECHO has been involved in recent years, but the floods that engulfed the Limpopo, Save and Buzi river basins in February/March required a rapid but co-ordinated and balanced response, particularly in view of the generous reaction of the EU Member States and the general public to media coverage of the disaster. ECHO had a senior field co-ordinator on the ground in Maputo within 48 hours of the main flooding, and a Task Force comprising DG DEV, ECHO and SCR was immediately set up to ensure the sustainability of an ECHO intervention designed from the outset to phase out at the beginning of 2001. With most ECHO projects being phased out on schedule at the end of 2000, Mozambique is a case of successful hand-over. With funds pouring in for relief activities from other sources, ECHO focused on emergency resettlement, committing a total of just under € 10 million.

Indian Ocean

Hurricanes Eline, Gloria and Hudah hit **Madagascar** very badly. ECHO provided € 1.6 million to mitigate the consequences of the disaster. The situation in the **Comoros** involving the secessionist island of Anjouan required an intervention in the health sector of € 2.1 million.

2.2 CENTRAL AND EASTERN EUROPEAN COUNTRIES, NIS COUNTRIES

Western Balkans

In 2000, the overall humanitarian situation in the Western Balkans dramatically improved. ECHO's allocation to the region has reflected this change, decreasing from € 447 million in 1999 to € 98.7 million in 2000. It should, however, be noted that € 50 million of the 1999 allocation, which had been put in reserve, were actually used to fund projects in December 2000. The first major funding decision of the year (€ 61 million for Kosovo, Serbia and Montenegro) was, thus, only enacted in June.

In the aftermath of the **Kosovo** crisis, ECHO drew the lessons of its intervention through a self-assessment exercise in November 1999, which were endorsed by an independent external evaluation during the first half of 2000. Recommendations have been integrated in the ongoing ECHO strategy for the Balkans. The two main challenges for ECHO were to **meet the humanitarian needs of the most affected populations** throughout the year, particularly during the harsh winter months, and to **support transition to reconstruction and longer-term development**.

As far as the former is concerned, ECHO provided food aid, shelter and winter needs programmes as well as basic health and social services, water and sanitation. International humanitarian assistance was thus able to meet basic needs, with no reported deaths from exposure, epidemic or hunger.

In **Serbia**, ECHO like other humanitarian agencies, was faced with the largest refugee and IDP population in Europe (508,000 refugees from Bosnia-Herzegovina and Croatia, and 180,000 IDPs fleeing Kosovo). On a smaller scale, the situation in Montenegro is similar (28,000 refugees and 32,000 IDPs). In Serbia, the economic decline has led to growing poverty and increasing numbers of socially deprived people, particularly amongst the refugee population, the main targets of ECHO interventions.

Although most of the refugees who fled to Albania and FYROM during the 1999 crisis returned, the needs of those remaining had to be addressed. As most refugees and IDPs tend to stay in host families rather than collective centres, ECHO ensured that some of its support was directed towards the basic needs of host communities and thus to reduce “host fatigue”.

With the exception of Serbia, the situation in the Western Balkans at the end of 2000 could no longer be qualified as an acute emergency situation. The main priority for ECHO was thus to ensure **a transition to reconstruction and longer term development**, mainly through the handing over of sectors of intervention to the appropriate institutions, reducing dependency on humanitarian assistance, encouraging self-reliance activities and focusing on durable solutions to the refugee situations. An important step forward in this respect was the formal establishment of the European Agency for Reconstruction (EAR) in February 2000 that will ensure the transition from emergency to reconstruction and development.

Even more important improvements can be expected from the political landmark changes in Yugoslavia, which will significantly contribute to the process of stabilisation and reconciliation throughout the region. While the events in Belgrade fundamentally change the context in which humanitarian agencies operate, the nature and scope of ECHO’s support was not immediately affected, although increased coordination with other EC services and donors who are coming in with long-term assistance instruments became necessary. The second major funding decision taken by ECHO in 2000 (€ 31.6 million) addresses identified and assessed priority needs of refugees, IDPs and other extremely vulnerable persons over the winter in Serbia, Kosovo, Montenegro, Albania and FYROM. In order to avoid a gap in humanitarian assistance over the winter, a complementary decision has been foreseen under the 2001 budget.

In addition to the above, € 2 million were allocated to **FYROM** in August 2000 and in November the decision was taken to allocate € 3.7 million of aid in favour of the people affected by the floods in **Vojvodina**. ECHO’s offices in **Croatia** and **Bosnia-Herzegovina** were closed in May and in December 2000 respectively. Projects supporting the return of refugees to Bosnia-Herzegovina, starting in 1999, were finalised whilst other longer term Commission assistance programmes supporting that process have taken over.

NIS

In 2000, the overall humanitarian situation in the Newly Independent States (NIS) did not improve. Though efforts have been made in many NIS countries to launch economic reforms, no tangible results have yet been achieved as far as the living conditions of the general population are concerned. On the contrary, public spending on the health and social sectors tended to decrease, with hospital equipment becoming obsolete and the population finding it

increasingly difficult to obtain access to appropriate health care. Most affected are large families, elderly and disabled people, and those living in social institutions, who suffer particularly from the consequences of the continuously deteriorating economic situation and whose coping mechanisms have practically been exhausted.

It is evident that the problems that have led to the difficult humanitarian situation are of a structural nature. This renders a justification of ECHO's intervention difficult, especially in the light of ECHO's refocusing on its core mandate. However, given the circumstances mentioned above and the absence of other Community instruments more suitable to intervene in this respect, ECHO continued to allocate funding - albeit limited - in 2000 (€ 8.25 million) targeting well-identified groups at special risk such as children in institutions, isolated elderly people and large families.

In accordance with ECHO's reorientation on its core mandate, gradual phasing down continued in **Belarus, Moldova and Ukraine** as well as in the **Southern Caucasus** (Armenia, Azerbaijan, Georgia) and **Central Asia** (Kyrgyzstan, Kazakhstan, Turkmenistan, Uzbekistan).

However, in view of the drought affecting the Southern Caucasus and, in particular, **Tajikistan** in 2000, a special allocation (€ 15.6 million) had to be made to mitigate its immediate negative ramifications. In Tajikistan, ECHO involvement may have to be continued for a limited period, until the country has mastered its post-conflict situation and bilateral aid programmes or other European Community programmes have fully resumed.

ECHO made a limited allocation (€ 1.8 million) to respond to disastrous weather phenomena (snowstorms, drought) in **Mongolia**, where it funded food security operations to help the most vulnerable families and institutions.

In the **Russian Federation**, the armed conflict in **Chechnya** has led to large displacements of people in the Northern Caucasus creating significant humanitarian needs. With € 23.2 million ECHO is by far the largest donor to that crisis, contributing significantly to international relief efforts by funding, e.g., a UNHCR project providing not only food aid to 70,000 IDPs but also to more than 8,000 host families in Ingushetia who had generously accommodated IDPs from Chechnya. However, efforts by the international aid community to help cover those needs have often been thwarted by extremely difficult working conditions, notably in Chechnya itself. Aid organisations intending to work in Chechnya had to cope with a lengthy "access and work permit system" and insufficient security guarantees. The Commission and the organisations providing aid have pleaded and continue to plead for a more cooperative attitude from Russian authorities.

In the light of the continuing *rapprochement* of Central and **Eastern European** countries towards the EU and their improving national economies, no ECHO funding was allocated to operations there in 2000.

2.3 ASIA, THE MIDDLE EAST, NORTH AFRICA AND LATIN AMERICA

Asia

In the continent, several crises have required a response through ECHO-funded operations, as the impact of long-lasting man-made conflicts has continued to affect millions, while natural disasters of ever-increasing intensity have hit vast areas throughout Asia putting a strain on local and international response capacities. Often, as for example in Afghanistan and

Indonesia, ECHO's intervention has to target the effects of natural and man-made crises alike, as regions already suffering from war or ethnic violence face the impact of dramatic weather phenomena.

Indonesia is a country of growing humanitarian concern, with political, religious or ethnic tensions increasing in scale and affecting new areas of the archipelago. ECHO's involvement targeted IDPs and victims affected by the conflicts in different and sometimes new operating environments, such as the Moluccas, Aceh, Irian Jaya and West Timor as well as relief to victims of the earthquakes in Sulawesi and Sumatra. ECHO's funding, for a total of 7.5 million €, was directed at the provision of food and medical aid, sanitation as well as the financing of a boat for the transport of drinking water.

As the focus of international assistance in **East Timor** gradually shifted from relief operations to rehabilitation and development, ECHO contributed substantially (€ 10.5 million) to cover remaining humanitarian concerns, mainly primary health care, psychosocial counselling and shelter. With ECHO financing, district hospitals were able to ensure critical access to primary health care in rural areas. In collaboration with UNHCR and IOM, ECHO funded the repair of rural dwellings and the return of refugees.

The precarious situation in **North Korea** was exacerbated by devastating typhoons and droughts. ECHO continued to provide humanitarian assistance (€ 8 million) through the four European NGOs present in the country and the Red Cross family. Projects focused on the health, water and sanitation sectors. Particular attention was paid to negotiating the respect for humanitarian principles in DPRK (direct access to the beneficiaries, free monitoring, focus on the most vulnerable groups). The DPRK authorities have now agreed to sign a Letter of Understanding containing an affirmation of those principles for each ECHO-funded project.

Iran, Pakistan and Afghanistan have been affected by the worst drought in 30 years. ECHO has drawn up a € 9.5 million worth aid package to address this disaster and allocated it in proportion to the respective coping capacity of the three countries.

The bulk of aid from this package was attributed to war-ridden **Afghanistan**, supporting drought victims via participatory "Food for Work" operations that link emergency with short-term rehabilitation activities (e.g. to restore irrigation canals). The drought also provoked a massive internal movement of people towards urban areas in search of food. Projects set up by ECHO's partners managed to stop this exodus in some areas (Ghor). ECHO intensified its fight against the vulnerability of the urban population by involving local women in the implementation of the projects. It also maintained funding for an emergency medical facility along the front lines and a system of "emergency preparedness" in case of an outbreak of an epidemic or an unforeseen influx of IDPs. In view of the scale of the crisis, ECHO increased funding for Afghanistan to a total of € 19 million in 2000.

Despite international relief efforts, the overall humanitarian conditions in **Iraq** remained appalling, with a worrying child mortality rate and widespread malnutrition. While the humanitarian needs in the North were addressed through the proceedings of the "Oil for food" programme, the total amount of ECHO's aid in 2000 (8.6 million Euros) concentrated on central and southern Iraq, where it tried to complement the programme by focusing on the rehabilitation of primary health centres, hospitals, and water treatment plants.

Middle East and North Africa

The collapse of the Middle East Peace Process and the violence and closures in the West Bank and Gaza Strip have accentuated the pre-existing crisis of the Palestinians and required a substantial response from ECHO. At the end of 2000, total funding by ECHO for the **Middle East** reached € 23.9 million. This included assistance to Palestinian refugees (health and shelter) and to neglected vulnerable groups, such as the Bedouin communities. After the Israeli withdrawal from South Lebanon, ECHO supported the population affected by many years of conflict. Funding included demining activities to protect the residents and encourage the return of the displaced. As dramatic events in the area unfolded and violence gradually increased, ECHO responded to the emergency by adapting its operations and providing emergency aid to those most affected, such as for example children in refugee camps in the Gaza Strip.

Another example of a long-lasting crisis is the forgotten plight of the Sahrawi refugees. As the referendum on **Western Sahara** is continuously postponed, the conditions of those living in the camps remains unchanged. ECHO focused its support on ensuring a minimum level of food security for the 155,000 refugees. Through a total funding of € 13.9 million, ECHO focused on complementary feeding while also delivering basic relief items. Co-ordination with the few existing donors was identified as a crucial issue in relief to the Sahrawis and efforts in this direction are slowly bearing fruit permitting, for example, the provision of a more balanced diet.

Latin America

During the year 2000, ECHO completed its gradual phasing out of assistance to the victims of Hurricane Mitch, in line with the phase in of rehabilitation instruments. ECHO also finalised its support to those affected by the floods and mudslides in Venezuela. The situation has not improved with regard to the main man-made crisis in the continent: the internal conflict in Colombia has still remained a focus of ECHO's relief efforts in the region.

The floods in **Venezuela** left between 10,000 and 20,000 dead. Around 200,000 persons were made homeless and more than 400,000 were directly affected. ECHO's emergency aid (€ 6.7 million) covered the basic needs of more than 60,000 people living in temporary shelters with essential relief items such as food and blankets.

The internal conflict in **Colombia** deteriorated dramatically over the year, leading to 300,000 additional IDPs. ECHO maintained its level of humanitarian assistance (€ 6.5 million) and extended its coverage all over the country through the Red Cross family, NGOs and UNICEF. To enhance the overall effectiveness of the assistance, special efforts were undertaken to ensure better coordination with the Colombian institutions in charge of IDPs.

ECHO continued its gradual withdrawal from Cuba.

2.4 DISASTER PREPAREDNESS - DIPECHO

Following the evaluation of the DIPECHO Action Plans for Southeast Asia, Central America and the Caribbean in 1999, ECHO prepared a second Action Plan for these regions. It consists of three main components:

Boosting local capabilities: to improve disaster response and forge closer relations between communities, local institutions and civil protection bodies.

Developing early-warning system networks to detect disasters, transmit warnings, and facilitate the organisation of rescue work.

Pilot projects with a demonstration character: use of new disaster prevention technologies adapted to the cultural and socio-economic environment of the vulnerable population sectors.

The Second Action Plan for South East Asia (€ 4 million) was adopted in July 2000. Among the 14 projects in the plan, 13 are to be implemented at national and local level and one at regional level. The regional project will encourage co-operation and co-ordination of disaster preparedness activities throughout the region in particular through exchange and dissemination of knowledge and experience.

The Second Action Plan for Central America (€ 3.5 million) was approved in October 2000. The funds will allow NGOs to carry out 10 projects over a period of twelve months. The main objective is to reduce the vulnerability of the Central American populations. Interventions will focus on two main aspects: strengthening regional and national institutions in their capacity to respond to natural disasters, and promoting information exchange and co-ordination between communities, civil protection bodies and municipalities.

3. CROSS-CUTTING ISSUES

3.1 Relations with partners - FPA

In 2000, 121 applications to join the **Framework Partnership Agreement (FPA)** were examined. 24 have already been signed. A total of 169 partner organisations were registered at the end of 2000. The validity of the FPA has been extended for a further year until 31 December 2001.

3.2 GRANT FACILITY/ NOHA

At regular intervals, ECHO launches a **grant facility** for training, studies and networks in the humanitarian field. 51 applications were received in 2000. ECHO made available a total of € 1.8 million. Projects selected include training courses on financial management and food security in emergencies, and studies on human rights and child soldiers.

The **network on humanitarian assistance (NOHA)**, launched in 1994, is a one-year multi-disciplinary post-graduate diploma in the humanitarian field. The curriculum provides a comprehensive overview of the humanitarian aid environment and is complemented by an internship either in a humanitarian organisation or in ECHO. Around 20 students attend the course in each of the eight participating European universities. ECHO's financial contribution to the coordination costs of the network was € 231,300 in the year 2000.

3.3 COMMUNICATION AND INFORMATION

ECHO drew up a new **information and communication strategy** in 2000 on the basis of conclusions reached in the "Article 20" evaluation. The new approach involves a significant change in emphasis – away from the more restricted “visibility” angle towards the broader concepts of “information” and “communication”. It includes a clear definition of target audiences and more structured objectives based on the use of both conventional and innovative communication tools. A key aspect of the approach has been to seek a better

working relationship in the information sector between ECHO headquarters and the field (ECHO experts, ECHO offices, Commission Delegations). In this context, guidelines were drawn up and discussed with ECHO field experts and information assistants at special seminars. The guidelines define the responsibilities of the various actors, facilitating effective and immediate communication in humanitarian disasters.

Recognising the growing importance of the Internet as an information tool, ECHO improved the design and technical characteristics of its **website**. In late 2000, the Commission **abandoned ECHO's specific logo**. Future ECHO information products will display the twelve star EU logo with the text "ECHO – Humanitarian Aid Office" in the appropriate language.

ECHO funded **publications, seminars and conferences** with an amount of € 411,988. Publications included the Annual Review, the quarterly "ECHO News", a leaflet on ECHO's activities in East Timor and press releases

3.4 BUDGET, AUDIT AND EVALUATION

ECHO's response to humanitarian crises in 2000 was channelled through 121 funding decisions totalling € 491.71 million. When comparing this figure with that of 1999, one should bear in mind that the 1999 budget had been reinforced from the emergency reserve (€ 346 million) to cover the humanitarian disaster in Kosovo. 993 contracts for a total of € 545 million (this includes 242 contracts to implement 1999 decisions) were signed in 2000. The rate of budget implementation, both in terms of commitment and payment credits, has been above 99% in 2000.

ECHO's external **audit** function has carried out audits and controls at the headquarters of those partner organisations that have received the majority of ECHO's funds. The audits were carried out openly and transparently, involving the partners audited at each stage of the process. The audits facilitated exchanges of information not only from the partners to ECHO, but also vice versa. The majority of ECHO's audit reports have been completed with agreement between ECHO and the partner on their contents. Whilst the vast majority of ECHO's partners have been found to have met at least a minimum standard of financial control and accounting, a need for certain improvements was noted. In particular, many of ECHO's partners could improve the quality of financial information available for internal decision-making. The level of financial control and accounting between headquarters and field offices could be improved as well.

In September 2000 the external audit function has been separated from the other tasks managed by ECHO's Finances and Audit Unit and it has been reinforced with extra staff. It will now also regularly use auditors from the private sector in order to further expand ECHO's audit capacities.

ECHO has continued and developed its **evaluation programme** in 2000 by implementing independent evaluation studies of its interventions in Tajikistan, Mali and Niger, Cuba, Angola, Kosovo, and on its response to Hurricane Mitch. Among these, the most important evaluation has been the so-called Kosovo evaluation. It confirms ECHO's efficiency in appropriately responding to the suddenness of the events. A study on Standard Terms of Reference for ex-ante evaluations has also been funded.

Two issues in 2000 have emphasised the need for ECHO to conduct evaluations on its action. One has been to make better use of evaluations as an instrument for decision-making, e.g., by providing necessary input for the design of ECHO's future activities. "Ex-post" or intermediate evaluations, therefore, have increasingly been complemented with a needs assessment component in 2000. The other issue has been ECHO's intention to refocus on its core mandate. Because of this, the terms of reference for evaluations increasingly included the obligation to define possible exit strategies for some of ECHO's operations or their longer-term components.

4. OUTLOOK AND PERSPECTIVES

Current mid-term trends suggest a proliferation rather than a containment of major natural and man-made crises in many areas of the world. Environmental degradation and demographic change risk outweighing past gains in the area of disaster preparedness. The EC's ability to respond to humanitarian disasters in a meaningful manner will therefore not only depend on the effective delivery of humanitarian assistance but even more so on the establishment and strengthening of mechanisms to address the root causes of those disasters. Efforts to reduce vulnerability to natural disasters must be intensified far beyond what ECHO is able to deliver. Disaster preparedness, therefore, must become an integral part of development cooperation. The EC has set ambitious goals for conflict prevention and crisis management measures and it has introduced new possibilities for addressing these issues under the Cotonou Agreement. All these new policies and procedures will undoubtedly make a key contribution to achieving greater stability and they may slow down the above trends.

It is highly unlikely, however, that humanitarian aid will become obsolete since there will always be unpredictable or hardly controllable situations like the January 2001 earthquakes in El Salvador and India or a sudden outbreak of violence. The scope for mitigating the effects of such crises by other means than direct humanitarian assistance will remain limited. As a consequence, there is an obvious need to maintain and strengthen ECHO. ECHO will therefore continue the process of enhancing its capability to react swiftly and effectively to humanitarian crises.

5. STATISTICAL ANNEXES

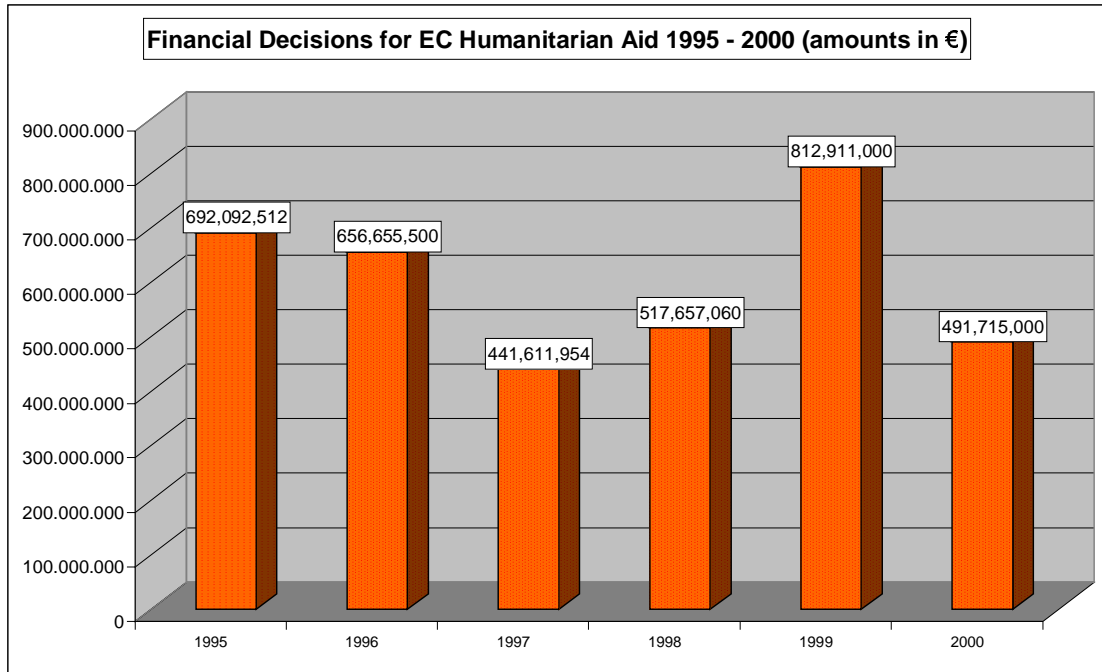
Annex 1: ECHO's budget in 2000 was € 491,715,000. (Annex 1A). The total number of contracts signed in 2000 is 993 (as of 24 January 2001), 751 of which were on the 2000 budget. The difference is explained by the fact that a large number of contracts signed in 2000 actually implement 1999 decisions, mainly related to the Balkans. As can be seen in annex 1B, the main source of finance is budget line B7-210. Little use has been made of the Lomé Convention budget. The amount of € 3.36 million on budget line B7-210A mainly concerns studies, training and information activities.

Annex 2: The presentation of the table in annex 2A has been somewhat simplified compared to previous years. Since there is no reason to maintain the separate presentation of Iraq, the country has now been included into the Middle East/North Africa section. DIPECHO and multi-country decisions were attributed, where possible, under the respective geographical region. Grossly varying total budgets and the increasing use of multi-country decisions render country-by-country comparisons over a period of years increasingly difficult. Annex 2B therefore focuses on the respective geographical sub-regions rather than individual countries

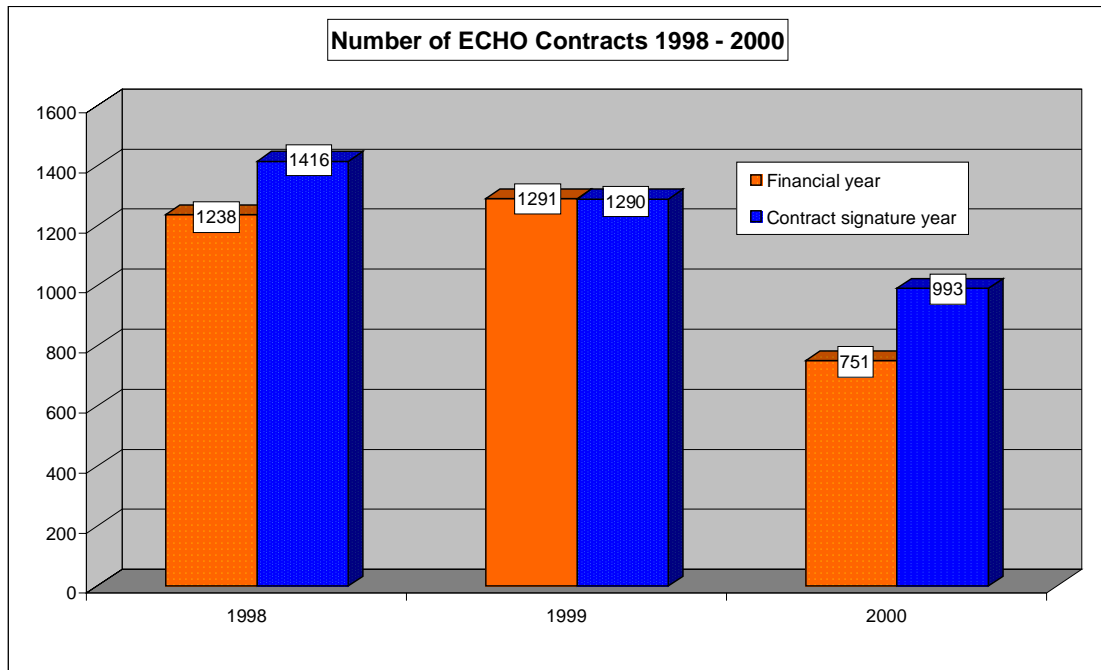
and on the year 2000 only. The main item of the "Global" section encompasses the costs for the network of field experts.

Annex 3: In 2000, there is an important shift within the allocations to the UN family, i.e., from UNHCR to WFP. This reflects the increased importance of food aid operations as a consequence of the drought situation in 2000. The percentages and amounts in annex 3A and 3B refer to contracts signed in that year, not to decisions. A certain number of those contracts implement decisions of previous years. Therefore, the figure for 2000 is higher than the actual 2000 budget of € 491 million.

Annex 1: Overview of Financial Decisions 1995 - 2000



Annex 1A: ECHO Contracts 1998 - 2000



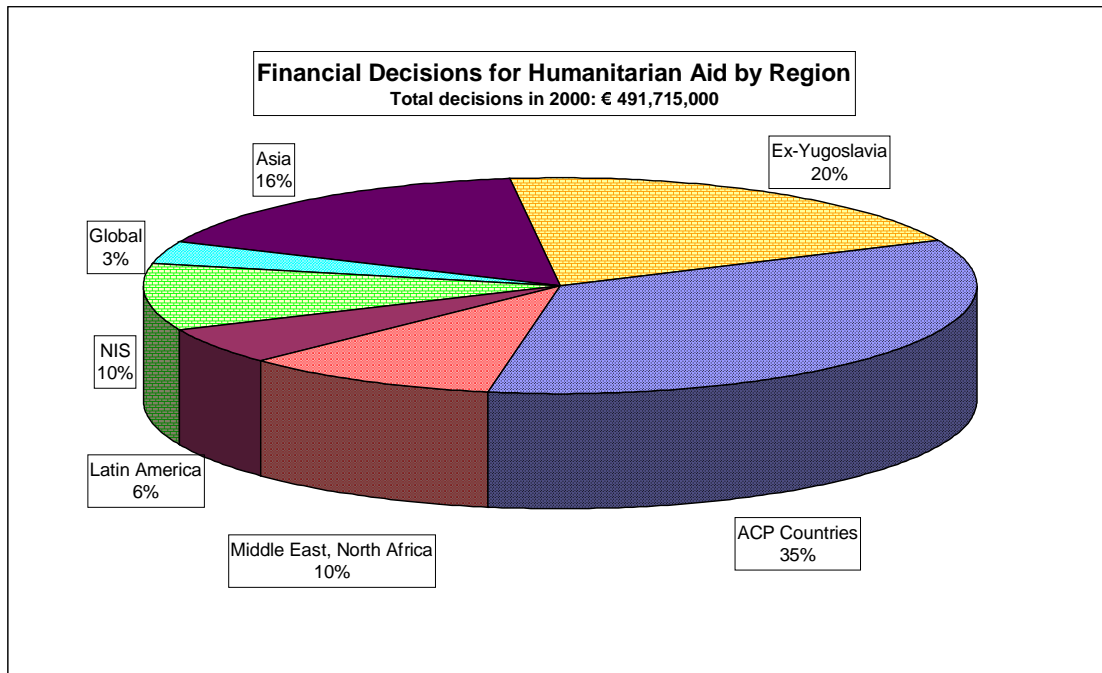
Annex 1B: Financial Decisions for EC Humanitarian Aid by Source of Finance

Source of finance/ budget line	Description	1995	1996	1997	1998	1999	2000
		DECISIONS in ECU	DECISIONS in ECU	DECISIONS in ECU	DECISIONS in ECU	DECISIONS in Euro	DECISIONS in Euro
LOME IV	ART 164 and ART 254 (1)	46,456,000	3,487,000	7,420,000	37,387,000	83,082,000	2,850,000
B7-510	DISASTER AID DEVELOPING COUNTRIES	-	-	-	-	-	-
B-210 A							3,360,000
B7-210	(2)	238,339,500	386,550,000	212,162,954	283,089,060	197,974,000	478,005,000
B7-511	EMERGENCY FOOD AID	-	-	-	-	-	-
B7-211	(2)	33,710,000	-	-	-	-	-
B7-514	HUMANITARIAN AID TO C & E EUROPE	-	-	-	-	-	-
B7-214	(2)	236,670,000	187,150,000	158,985,000	135,097,000	450,250,000	-
B7-515	HUMANITARIAN AID TO EX- USSR	-	-	-	-	-	-
B7-215	(2)	93,350,000	49,750,000	36,050,000	37,040,000	55,325,000	-
B7-516	HUMANITARIAN ACTION IN 3RD COUNTRIES	-	-	-	-	-	-
B7-216	(2)	-	-	-	-	-	-
B7-517	REFUGEES & DISPL, PERSONS IN DEV, COUNTRIES	-	-	-	-	-	-
B7-217	(2)	38,540,000	21,420,000	19,960,000	17,044,000	18,360,000	-
B7-219	OPERATIONAL SUPPORT, DISASTER PREPAR.	5,027,012	6,298,500	7,034,000	8,000,000	7,570,000	7,500,000
B7-644	HUMANITARIAN AID TO WESTERN SAHARA POP.	-	2,000,000	-	-	-	-
TOTAL		692,092,512	656,655,500	441,611,954	517,657,060	812,561,000	491,715,000

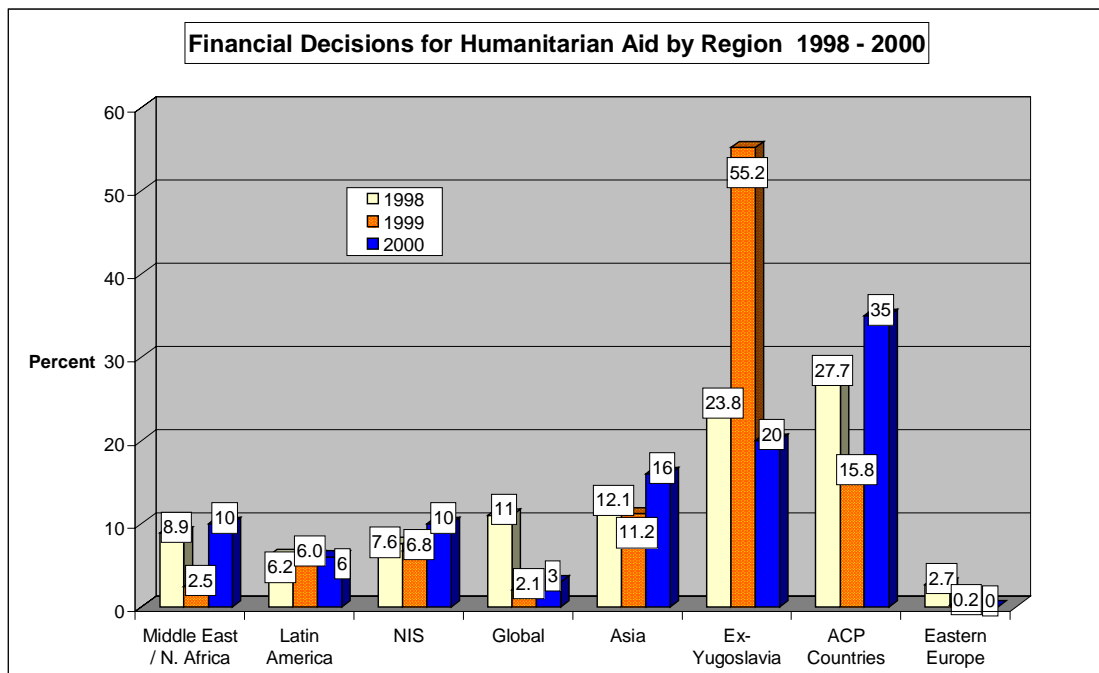
(1) First 5-year allocation under LOME IV (1991-95) was 250,000,000 ECU. The second (1996-2000) was 143,000,000 ECU. In 1999, only Art 254/F8.

(2) In 1995, the budget chapter that corresponds to ECHO becomes B7-200 instead of B7-500.

Annex 2: Financial Decisions in 2000 - Geographical Distribution



Annex 2A: Geographical Distribution of Financial Decisions 1998 - 2000



Annex 2B: Distribution of funding decisions by country/(sub-)region

Distribution of funding decisions by country/(sub-)region
in 1,000 €

AFRICA, CARIBBEAN, PACIFIC	
COUNTRY/SUB-REGION	Budget 2000
<i>Horn of Africa</i>	45,263
Ethiopia/Eritrea	22,495
Uganda	0,810
Somalia	6,518
Sudan	11,000
Kenya	4,440
Great Lakes	63,630
Burundi	13,780
D.R. Congo	20,000
Congo Brazzaville	3,000
Tanzania	26,850
<i>West Africa</i>	17,702
Mauritania	0,365
Sierra Leone/Guinea/Liberia Crisis	16,137
Tchad/Niger	1,200
<i>Caribbean/ Pacific/ Indian Ocean</i>	4,835
Belize	0,850
Comores	2,175
Madagascar	1,610
Other Islands	0,200
<i>Southern Africa</i>	29,948
Angola	15,768
Mozambique (+ Botswana)	9,680
Sambia	4,500
<i>ECHO Flight</i>	8,800
SUB-TOTAL ACP	170,178

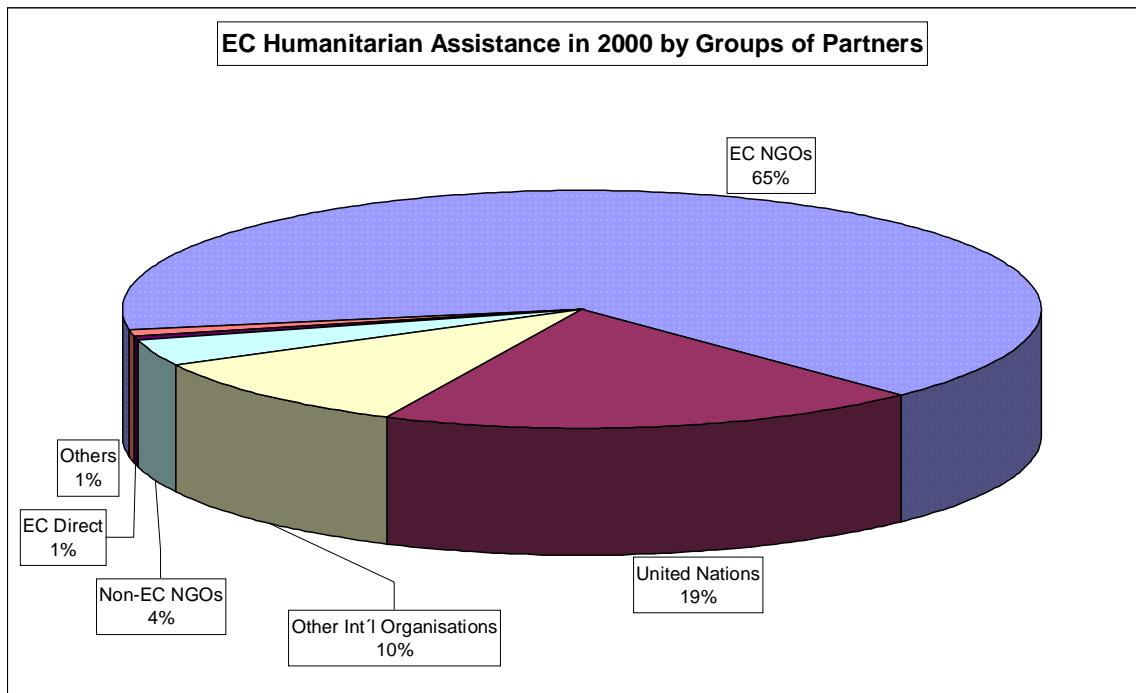
EASTERN EUROPE / NIS	
COUNTRY/SUB-REGION	Budget 2000
<i>NIS Region</i>	48,930
Northern Caucasus	23,200
Belarus, Moldova, Ukraine	2,800
Southern Caucasus	3,855
Russian Federation (excl. Caucasus)	1,200
Tajikistan/Armenia	15,600
Georgia	0,400
Mongolia	1,875
<i>Western Balkans</i>	98,700
FRY - Serbia	50,450
FRY - Montenegro/Kosovo	38,400
Albania	3,400
Regional - FYROM, BiH	6,450
SUB-TOTAL EASTERN EUROPE	147,630

ASIA / LATIN AMERICA/ MIDDLE EAST / N. AFRICA	
	Budget 2000
<i>Asia</i>	
Afghanistan/Pakistan/Iran - drought	9,500
Afghanistan - general	12,017
Bangladesh	1,500
Burma	1,000
Cambodia/Vietnam	10,400
North Korea	8,050
India	5,830
Indonesia	7,500
Laos	1,140
China (Tibet)	1,300
Philippines	2,635
Sri Lanka	1,200
Thailand	4,500
Timor	10,500
SUB-TOTAL ASIA	77,072
<i>Middle East / North Africa</i>	
Algeria	0,300
Iraq	8,600
Middle East	23,920
Western Sahara	13,935
Yemen	1,740
SUB-TOTAL MIDDLE EAST / N.AFR.	48,495
<i>Latin America</i>	
Central America	4,425
Colombia	6,500
Cuba	2,000
Mexico	0,850
South America	4,035
Venezuela	6,750
SUB-TOTAL LATIN AMERICA	24,560

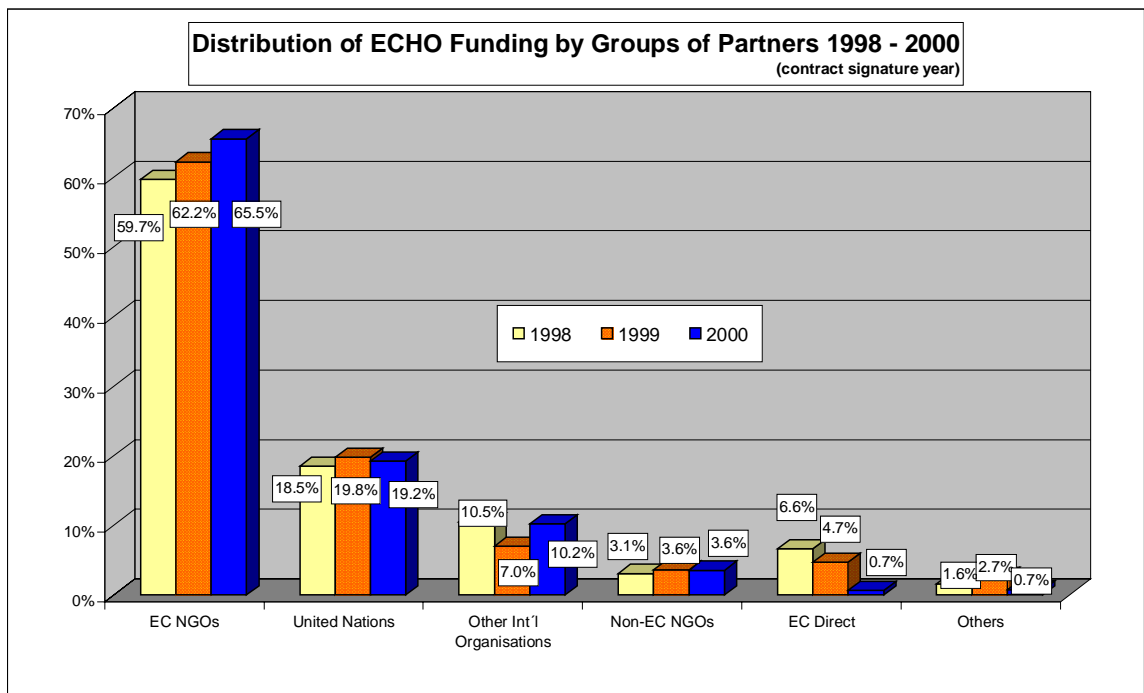
DIPECHO	
COUNTRY/SUB-REGION	Budget 2000
Central America	3,500
South East Asia	4,000
SUB-TOTAL DIPECHO	7,500

OTHER EXPENSES	
Action	Budget 2000
GRANTS / STUDIES	1,800
EXPENSES FIELD EXPERTS (B7-210 A)	1,100
EXPENSES FIELD EXPERTS (B7-210)	10,900
NGO	
AUDIT	0,200
INFORMATION	1,680
EVALUATION	0,600
SUB-TOTAL	16,280
TOTAL ECHO	491,715

Annex 3: Distribution of Contracts by Implementing Partners



Annex 3A: Distribution of Funding by Groups of Partners 1998 - 2000



Annex 3B: ECHO Contracts by Group and Nationality of Partners 1998 – 2000

ECHO contracts by group and nationality of partners 1998 - 2000						
TYPE OF CONTRACT	1998		1999		2000	
	ECU	IN % OF TOTAL	EURO	IN % OF TOTAL	EURO	IN % OF TOTAL
EC COMMISSION-DIRECT						
SUBTOTAL	38,141,252	6.6%	34,319,273	4.7%	3,673,811	0.67%
MEMBER STATES SPECIALIZED AGENCIES						
SUBTOTAL	8,070,000	1.4%	5,302,900	0.7%	1,560,000	0.29%
OTHER GOVERNMENTS						
SUBTOTAL	0	0.0%	698,192	0.1%	0	0.00%
EC NGOs (1)						
AUSTRIA	5,885,672	1.0%	4,598,195	0.6%	3,090,500	0.6%
BELGIUM	34,709,559	6.0%	29,953,028	4.1%	35,691,414	6.5%
DENMARK	10,318,800	1.8%	27,625,812	3.8%	31,555,000	5.8%
FINLAND	1,417,000	0.2%	2,829,189	0.4%	1,800,000	0.3%
FRANCE	69,896,507	12.1%	93,620,821	12.7%	73,626,185	13.5%
GERMANY	35,631,570	6.2%	44,822,769	6.1%	33,348,817	6.1%
GREECE	1,270,000	0.2%	10,397,000	1.4%	6,680,000	1.2%
IRELAND	3,879,000	0.7%	9,002,464	1.2%	8,915,000	1.6%
ITALY	56,747,208	9.8%	82,042,100	11.2%	54,031,478	9.9%
LUXEMBOURG	153,000	0.0%	0	0.0%	136,050	0.0%
NETHERLANDS	25,422,706	4.4%	25,869,500	3.5%	18,313,190	3.4%
PORTUGAL	2,086,108	0.4%	3,000,000	0.4%	2,680,000	0.5%
SPAIN	48,953,103	8.5%	46,374,270	6.3%	33,288,771	6.1%
SWEDEN	1,716,394	0.3%	1,420,000	0.2%	810,000	0.1%
UK	46,898,913	8.1%	75,251,493	10.2%	53,085,717	9.7%
SUBTOTAL	344,985,540	59.7%	456,806,641	62.2%	357,052,122	65.50%
OTHER NGOs (1)						
NORWAY	1,900,000	0.3%	2,450,000	0.3%	979,000	0.18%
SWITZERLAND	2,830,000	0.5%	4,405,000	0.6%	2,680,000	0.49%
USA	13,370,000	2.3%	19,877,445	2.7%	15,711,000	2.88%
SUBTOTAL	18,100,000	3.1%	26,732,445	3.6%	19,370,000	3.55%
LOCAL NGOs (1)						
SUBTOTAL	500,000	0.1%	2,000,000	0.3%	3,001,293	0.55%
UNITED NATIONS						
FAO		0.0%	560,000	0.1%	880,000	0.16%
IDNDR		0.0%	123,000	0.0%		0.00%
PAHO	1,530,000	0.3%		0.0%	500,000	0.09%
UNFPA		0.0%		0.0%	1,040,000	0.19%
UNDP	1,020,000	0.2%	4,396,000	0.6%	2,000,000	0.37%
UNESCO	3,000	0.0%		0.0%		0.00%
UNHCR	61,794,000	10.7%	82,157,000	11.2%	35,104,000	6.44%
UNHCS		0.0%		0.0%	2,495,000	0.46%
UNICEF	13,445,000	2.3%	15,959,000	2.2%	12,091,000	2.22%
UNOCHA	32,000	0.0%	445,000	0.1%		0.00%
UNRWA	200,000	0.0%	1,020,000	0.1%	5,780,000	1.06%
WFP	27,793,059	4.8%	33,695,000	4.6%	43,250,000	7.93%
WHO	1,030,000	0.2%	7,200,000	1.0%	1,740,000	0.32%
SUBTOTAL	106,847,059	18.5%	145,555,000	19.8%	104,880,000	19.24%
OTHER INTERNATIONAL ORG.						
SUBTOTAL	60,822,950	10.5%	51,179,632	7.0%	55,595,000	10.20%
Decommitments						
Others	115,000	0.0%	12,044,701	1.6%	1,050	0.00%
TOTAL	577,581,801	100%	734,638,784	100%	545,133,276	100%

(1) INCLUDING NATIONAL RED CROSS ASSOCIATIONS

Source: ECHOSTAT as per 24/01/01

Annex 4: Projects funded under the Grant Facility 2000

Applicant	Project	Grant (Euro)
CORDAID, NL	Financial management training	142,941
IFRC, Switzerland	Sphere Training, Disaster response	150,000
Deusto University, Spain	NOHA	204,142
Red R, UK	Security video	96,187
MANGO, UK	Training on financial management	116,959
SOLIDAR, Belgium	Training on emergency intervention	113,346
SAVE the CHILDREN, UK	Household food economy approach training	103,845
ACTION AGAINST HUNGER, UK	Food security in emergencies, distance learning	95,000
CRIC, Italy	Emergency management training	111,500
Total Strand 1 (Training)		1,113,920
Norwegian Refugee Council, Norway	The Global IDP Project	79,000
Croix Rouge Belgique	Les Enfants Soldats d'Afrique	52,416
Handicap International, France	Les projets de developpement rural dans des contextes de post-crise	44,740
InterSOS, Italy	Mainstreaming of Human Rights in Humanitarian Action	117,800
Bioforce, France	Etude de création d'une base de données européenne de personnels humanitaires	55,800
ODI/ALNAP, UK	Global Study on Consultation*	100,000
ODI, UK	Towards a politically informed approach to war*	100,000
Voice, Belgium	Humanitarian Safety and Protection Network*	50,000
Voice, Belgium	Humanitarian Gateway*	50,000
Total Strand 2 (Studies and networks)		649,756

* contracts on the two proposals from Voice and the two proposals from ODI have not yet been finally concluded