



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 25 November 2005 (28.11)
(OR. fr)**

14947/05

DEVGEN 233

COVER NOTE

from:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	24 November 2005
to:	Mr Javier SOLANA, Secretary-General/High Representative
Subject:	Report from the Commission Annual Report 2004 - (ECHO)

Delegations will find attached Commission document COM(2005) 580 final.

Encl.: COM(2005) 580 final



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.11.2005
COM(2005) 580 final

REPORT FROM THE COMMISSION

Annual Report 2004 - (ECHO)

{SEC(2005) 1481}

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1. INTRODUCTION

The European Commission Directorate-General for Humanitarian Aid -DG ECHO- is responsible for managing funds provided by the European Union for humanitarian assistance to victims of conflicts or disasters, both natural and man-made, in countries outside the Union. Its mandate is to save and preserve life, reduce or prevent suffering and safeguard the integrity and dignity of populations of non-EU countries hit by humanitarian crises. DG ECHO is committed to providing this assistance solely on the basis of needs and not to be swayed by political considerations.

2004 will probably be remembered as the year of the terrible tsunami on 26 December which killed up to 280 000 people in a very short period of time on the shores of the Indian Ocean. However, thousands more died in other crises in other parts of the world in 2004, often without the public being aware of their plight. These are what the European Commission calls "forgotten crises", crises which are not, or are no longer, in the media spotlight. One of the objectives of DG ECHO is to be present in situations like this as well to alleviate the suffering of the victims of such, sometimes protracted, crises.

In parallel to focusing on evolving global humanitarian needs, DG ECHO continued to pay special attention to cross-cutting issues such as the link between emergency and development aid, disaster preparedness, HIV/AIDS and children. This report sums up DG ECHO's main activities in 2004. The annex provides more detailed information on the activities, including a country-by-country overview of humanitarian operations supported by DG ECHO.

2. GENERAL POLICY ASPECTS

DG ECHO's response to humanitarian emergencies evolved in line with the changes in global humanitarian needs in 2004, as reflected in the regional distribution of the DG's funding patterns, with a particular focus on the "forgotten crises". To make sure that DG ECHO's operations are driven by needs, DG ECHO's work programme is based on a global needs assessment (GNA) methodology. This provides a cross-country assessment comparing the situation across some 130 developing countries on the basis of nine humanitarian indicators (human development, human poverty, natural disaster risk, conflicts, refugees, internally displaced persons (IDPs), malnutrition, mortality and other donors' contributions). In the GNA classification, the top 25% of countries on the list are ranked as those with the greatest needs, the 50% in the middle are rated as medium-need countries and the remaining 25% are low-need countries. GNA consequently allows DG ECHO to verify, from a global point of view, how successfully it is implementing its needs-based strategy. Applying this methodology to the 2004 results (as on 31 December 2004), 62% (or €353 million) of the €570 million committed from chapter 23 02 of the budget and the EDF were allocated to areas with the greatest needs, 30% (or €172 million) to areas with medium needs and less than 1.0% (or €4 million) to low-need areas ("pockets of need"). The rest (€41 million or 7%) was spent on thematic funding, technical assistance and support expenditure.

Geographically, operations funded by DG ECHO in North Korea, Sri Lanka, Zimbabwe, the Democratic Republic of the Congo and the Middle East plus disaster preparedness activities in the Caribbean were evaluated. The overall assessment of the evaluators was that the action financed by DG ECHO in these countries and regions met key humanitarian objectives.

DG ECHO's aid strategy continued to focus on forgotten crises. This means humanitarian crises attracting little or no interest from political/public opinion and where few other donors are present or other donors are reluctant to get involved because of the high risks entailed. DG ECHO's analysis and methodology for identifying forgotten crises is based on both quantitative data (lack of media coverage or low donor support combined with high needs) and qualitative factors (field assessment by DG ECHO experts and desk officers). In 2004 the most forgotten crises and needs were identified as being in: Algeria (Western Sahara), Democratic Republic of the Congo, Guinea, Haiti, India, Myanmar/Burma, Nepal, Northern Caucasus (Chechnya), Thailand (Burmese refugees), Somalia, Sudan, Uganda and Yemen. In the course of the year support totalling €239 million was allocated to these most forgotten crises, i.e. 42% of the €570 million committed from chapter 23 02 of the budget and the EDF.

DG ECHO, together with humanitarian agencies and organisations, places the highest value on the ability to gain safe, unimpeded and sustained access to the humanitarian space. The DG remained vigilant and active throughout 2004 to make sure that the humanitarian principles of impartiality, neutrality and independence remain high on the agenda both within the EU institutions and in international fora. Thanks largely to this approach, a specific provision has been inserted in the draft Constitutional Treaty to safeguard humanitarian principles.

3. OVERVIEW OF DG ECHO'S HUMANITARIAN OPERATIONS

Despite positive trends in some areas, the overall humanitarian situation left little ground for optimism as the challenges continued to mount. The number of refugees decreased from 10.6 million in 2002 to 9.67 million at the end of 2003¹. However, as experience shows, when refugees become returnees they still need humanitarian assistance, at least in the initial phase following their return. The number of internally displaced persons is estimated at 25 million². They are rightly called "the world's largest group of vulnerable people"³.

The International Federation of the Red Cross and Crescent Societies' (IFRC) "World Disasters Report 2004" shows that the number of disaster-related deaths dropped but that the number of affected climbed. However, the humanitarian crisis unleashed in Asia by the earthquake and ensuing tsunami on 26 December tragically illustrated the increasing vulnerability of populations to natural disaster.

DG ECHO's response to humanitarian crises in 2004 was channelled through 102 funding decisions totalling €570.4 million: €518.2 million was financed from the Commission's budget and €52.2 million was drawn from the EDF. The implementation of the commitment appropriations was 100%. ACP countries were the biggest recipients of aid (€301.6 million), followed by Asia (€111.1 million). The table below gives an overview of the geographical distribution of the humanitarian aid decisions adopted in 2004 (amounts in thousand euros):

¹ UNHCR: Refugees by Numbers (2004 edition) <http://www.unhcr.ch/cgi-bin/texis/vtx/basics/>

² Global IDP Project: Internal Displacement - A Global Overview of Trends and Developments in 2003 found at http://www.idpproject.org/press/2004/Global_Overview.pdf

³ UNHCR: Internally Displaced Persons, Questions and Answers (2004) <http://www.unhcr.ch/cgi-bin/texis/vtx/basics/>

Unit/Region	Amount	%
DG ECHO -1: Africa, Caribbean, Pacific	301 555	53%
Horn of Africa	139 618	
Great Lakes	76 360	
West Africa	37 300	
Caribbean, Pacific, Indian Ocean	19 477	
Southern Africa	28 800	
DG ECHO -2: Eastern Europe, Russian Federation, Southern Caucasus, Central Asia (including Mongolia), Middle East, Mediterranean	90 705	16%
Russian Federation, Southern Caucasus and Central Asia (including Mongolia)	41 850	
Mediterranean and Middle East	48 855	
DG ECHO -3: Asia, Iraq, Central and South America	123 322	22%
Asia	111 122	
Iraq	-	
Central and South America	12 200	
Dipecho - Disaster preparedness	13 700	2%
Thematic funding	19 430	3%
Technical assistance (experts and imprest accounts)	15 300	3%
Support expenditure (audits, evaluation, information and communication, etc.)	6 400	1%
TOTAL 2004	570 412	100%

Main DG ECHO operations in 2004

In Africa the most extensive operations took place in Sudan/Darfur. The civil war which began in 2003 escalated drastically in 2004, prompting the UN to call it the “largest humanitarian crisis in the world” with over one million uprooted and two thirds of the population badly hit by the conflict. In addition to the €20 million initially budgeted for Sudan, a series of quick decisions were taken granting a total of €83 million to help victims of the escalating conflict in Greater Darfur, as well as the refugees in Chad. DG ECHO also

participated in international advocacy efforts, for example by co-chairing a donor alert group in Geneva in June.

The overall humanitarian situation in the Central Africa and Great Lakes region (Burundi, Democratic Republic of the Congo, Congo Brazzaville, Central African Republic and Tanzania) remained precarious in 2004. Progress in the various peace processes in the region remained tentative, punctuated by skirmishes in Burundi and continuing strife in eastern DRC. Millions benefited from projects funded by DG ECHO.

Parts of the West African sub-region also suffered the consequences of continuing armed conflicts and natural disasters in 2004. DG ECHO continued to fund emergency projects, in particular in response to outbreaks of communicable diseases in West Africa, where around 200 million people are at risk.

In Northern Caucasus, the protracted and forgotten humanitarian crisis in Chechnya remained one of the operational priorities of DG ECHO in 2004, with funding totalling €28.5 million allocated to the victims of this conflict. DG ECHO provided substantial funding to help meet the needs of more than 450 000 people stricken by the crisis, both inside Chechnya and in neighbouring Ingushetia and Dagestan.

Conditions in the occupied Palestinian territories deteriorated further in 2004 as the peace process remained deadlocked. 70% of the estimated 3.8 million population was food insecure or in danger of becoming so, while close to two million remained in poverty. In 2004 DG ECHO made €37.35 million available for humanitarian operations benefiting Palestinians in the occupied Palestinian territories as well as Palestinian refugees in Jordan, Lebanon and Syria and refugees from Iraq housed in camps in Jordan and in no-man's land between Jordan and Iraq.

In Afghanistan since the end of major military action in 2002 more than three million refugees and internally displaced people (IDPs) have returned to their home areas from Pakistan and Iran. However, the country still faces enormous needs. In 2004 DG ECHO provided €35 million of humanitarian aid in Afghanistan under a global plan designed to cover the whole year. DG ECHO continued to assist the most vulnerable groups, notably by supporting the return and reintegration of refugees and IDPs.

Finally, the tsunami which hit the coastal regions around the Indian Ocean on 26 December killed up to 280 000 people, making it one of the worst disasters ever recorded. Millions lost their homes and livelihoods. DG ECHO was the first donor to respond, providing funds to agencies working at the scene. On 26 December 2004 €3 million were allocated to the International Federation of the Red Cross. On 30 and 31 December two further decisions were taken, each granting €10 million for Sri Lanka, the Maldives and Indonesia. In January 2005 the European Commission requested up to €100 million from the budget authority (Parliament and Council) for new relief efforts in the stricken zone and on 9 February 2005 a decision was adopted to provide €80 million for aid and assistance, including short-term rehabilitation, for the population in the affected area. Detailed information on operations in every country can be found in the annex to this report.

4. MAIN HORIZONTAL ISSUES

4.1. Contractual relations with partners – FPA

The decision on administrative support expenditure for 2004, including the grant facility for 2004 (budget line for small - non-renewable - grants for training, studies and networks in the humanitarian field), was adopted by the Commission on 30 April 2004. Three grants were awarded in October 2004 for a total of approximately €300 000.

The first phase of the preparatory work for a contractual instrument covering specialised agencies of the Member States was completed. It included the identification of a number of entities which could benefit from these new procedures and of the type of action that could be envisaged.

4.2. Relations with major humanitarian partners, non-EU donors and other Community institutions

On the international front, DG ECHO participated in a number of meetings to discuss in depth with other major donors issues like the erosion of the humanitarian space, humanitarian principles - in particular the risk that UN integrated missions might not respect them - or the problem of access to certain countries for humanitarian workers.

Four annual Strategic Programming Dialogue (SPD) meetings were held with major partners (OCHA, UNICEF, WHO and WFP) before the end of 2004.

At the Community institution level, DG ECHO remained vigilant and active throughout 2004 to make sure that humanitarian principles remain high on the agenda both within the EU institutions and in international fora.

DG ECHO also attended numerous meetings at various levels in the Council and with other Commission departments such as DG Environment (for civil protection matters) and DG External Relations (on crisis management) to insist on humanitarian principles being an integral part of their work.

Eleven meetings of the Humanitarian Aid Committee (HAC) with representatives from the Member States were held in 2004. In addition, the Irish and Dutch presidencies convened two informal HAC meetings, one to discuss humanitarian principles, the other on the civil/military relationship.

4.3. Strategic planning and cross-cutting issues

In 2004 DG ECHO established its strategy for 2005 which is based on needs assessment worldwide and on the analysis of forgotten crises.

- Linking Relief, Rehabilitation and Development (LRRD): DG ECHO continued its work within the inter-service group on this issue. Good progress was made in many of the 15 countries and regions selected as pilot cases in 2003. Implementation of linkage strategies remained a constant priority in the field, with notable progress achieved in countries such as Angola, Tajikistan and Cambodia. Details can be found in the annex to this report.

- Children: DG ECHO raised the profile of this cross-cutting priority. In 2004 some 66 of the 102 funding decisions and 79 contracts focused on or included child-related activities (e.g.

therapeutic feeding, vaccination, re-integration of child soldiers) which received a total of €46 million (€26 million in 2003).

In 2004 DG ECHO also prepared draft internal policy guidelines regarding children affected by humanitarian crises and a reporting mechanism to gauge more precisely the scope and impact of DG ECHO's activities in their support.

- DPP: DG ECHO adopted a total of 16 funding decisions which included support for disaster preparedness activities. It provided support totalling €360 000 for the World Conference on Disaster Reduction at Kobe, a major milestone for global advocacy on disaster reduction. DG ECHO also made significant efforts in 2004 to reinforce international initiatives to improve disaster reduction, notably through the development of a Global Disaster Alert System with UN OCHA and the EC Joint Research Centre (€420 000).

- Water: Water was added as a priority to the DG's work programme in 2004. Accordingly, DG ECHO launched a restricted call for tenders to review water and sanitation issues in humanitarian aid. The work is scheduled for 2005.

Going beyond the original scope of this objective, DG ECHO also completed a review of its approach to HIV/AIDS.

4.4. Thematic funding

Thematic funding is a new way of working with international organisations and re-affirms DG ECHO's commitment to working closely with UN agencies and the Red Cross family to improve the delivery of humanitarian aid.

In 2004 DG ECHO concluded thematic contracts with OCHA (€4 million), to improve OCHA's information management, with the WHO (€3.5 million), to support its Health Action in Crises, and with the WFP (€4.5 million), to reinforce its capacity adequately to assess humanitarian needs in the food sector. In addition, DG ECHO supported UNICEF's child protection activities (€2 million) and the enhancement of UNICEF's emergency response capacities (€5.4 million) through a series of measures, such as pre-positioning of essential medicines and relief items.

4.5. Training and studies, communication and information

A total of 42 training sessions were held on the new legal framework governing DG ECHO's relations with its partners. They added up to a total of 77 days and were attended by 904 people.

DG ECHO continued actively to support the Network on Humanitarian Assistance (NOHA), which offers a one-year multi-disciplinary post-graduate diploma with seven universities participating.

During 2004 DG ECHO implemented a range of activities communicating the values, principles and practical achievements of EU humanitarian aid through a wide variety of publications and high visibility poster displays, and broadcast audiovisual products featuring DG ECHO's work. One of the main information events for the year was a successful "Youth Solidarity Day" staged for 540 young people at the European Parliament.

4.6. Budgetary and human resources, audit and evaluation

DG ECHO has formal systems for regularly monitoring financial information and providing adequate management information. Specific financial indicators have been incorporated into an overall scoreboard. Humanitarian activities are subject to financial audits, both at headquarters and in the field. Over the year 2004 a total of 145 audits were finalised or in progress at the headquarters of the humanitarian organisations and 32 operational (field) audits were carried out.

In 2004 human resources at headquarters numbered about 172 staff, of whom 146 were officials and 26 external staff. DG ECHO took a number of measures aimed at implementing human resources policies in line with the Commission reform.

DG ECHO's administrative budget totalled €2.2 million in 2004. This was used to recruit external staff, to cover administrative expenditure on missions, training, conferences and meetings and to pay for experts and studies.

DG ECHO conducts approximately ten evaluations of its operations each year. In 2004 evaluations were launched for North Korea, Sri Lanka, Zimbabwe, the Democratic Republic of the Congo, the Middle East and disaster preparedness in the Caribbean. Thematic evaluations were initiated for issues relating to IDPs, security, water and sanitation. A concept paper on HIV/AIDS was also commissioned. Furthermore, DG ECHO undertook evaluations of the IFRC and the NGO "Action Contre la Faim".

As part of the 'Good Humanitarian Donorship' (GHD) initiative, DG ECHO reviewed security issues for humanitarian organisations. This review produced a generic security guide, a security training directory and a security report. These are designed to help humanitarian organisations to meet their responsibilities for the security needs of both expatriate and local personnel. Details of all horizontal activities can be found in the annex to this report.

5. OUTLOOK

In 2004 remained committed to a policy of strictly adhering to the fundamental principles and values of humanitarian assistance, namely neutrality, impartiality and independence. Today, strict adherence to these principles is more important than ever because of worrying trends, both in the institutional context, where certain political forces tend to regard humanitarian aid as an instrument of foreign policy or crisis management, and in the increasingly dangerous reality in the field where humanitarian organisations themselves become targets of warring factions.

For DG ECHO, the best way to preserve the "humanitarian space" is to maintain a high level of commitment to the Good Donorship Principles agreed in Stockholm on 16-17 June 2003 and confirmed in October 2004 in Ottawa (i.e. to provide assistance on the basis of needs), to remain committed to high quality assistance and to maintain a transparent dialogue with other key players, bilaterally and in multilateral humanitarian fora. The experience from recent crises in Afghanistan, the Middle East, Iraq, Darfur and elsewhere demonstrates that the abovementioned principles are key requirements for the effective delivery of aid, for maintaining access to the populations in need, and for safeguarding the lives and security of humanitarian workers.